



Daily Report

East Europe

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Meksi Previews Visit to Greece

AU1505201293 Tirana Radio Tirana Network in
Albanian 1330 GMT 15 May 93

[Interview with Prime Minister Aleksander Meksi before his departure to Greece by Lirim Ibrahim; place and date not given]

[Text] [Announcer] An Albanian delegation led by Prime Minister Aleksander Meksi will make an official visit to Greece on 17 May at the invitation of Greek Prime Minister Kostandin Mitsotakis. On the eve of this visit, Mr. Meksi gave this interview to our reporter Lirim Ibrahim:

[Ibrahim] Mr. Prime Minister, what topics will the delegation you lead present in Greece and what do you aim to achieve?

[Meksi] The visit of this high level delegation of the Albanian Government to Athens aims to contribute to achieving better results in the relations between both countries and establishing the necessary contacts that neighboring countries should have with each other, so as to solve problems to the benefit of both peoples. As such, we may mention economic relations. We hope to be able to fulfill the proposals made by the Greek side concerning economic relations, such as the opening of a joint Greek-Albanian bank, possibly private. Concerning economic relations, the Greek side has proposed to grant Albania an investment credit worth \$75 million. We wish this to be implemented. The question is of investments in the food industry, roads constructions, etc. We want these to be accomplished, too. The general aim of this meeting is to pass from the level of words to that of the preparations for a concrete realization of the initiatives by the Greek and Albanian sides. Besides this, Albania will participate in constructing roads on Albanian territory using credits granted to Greece by the EC. In the framework of regional plans, there are a lot of judicial difficulties for Greece to use these funds in Albania. We will ask them to apply these plans as soon as possible. We will also take from Greece [words indistinct] and a number of machineries and [words indistinct] for the construction of roads. We have an agreement on customs, the liquidation of the last [word indistinct] with the [word indistinct] reduction, as the agreement may not be signed now, but later. There are also a series of agreements in the field of justice for the extradition, pursuit of persons, etc. which, we hope, are scheduled to be signed now.

We will also speak about relations in other fields, in which we expect to sign agreements in the future, such as culture, health, as well as other problems of interests to both sides.

[Ibrahim] Do you think that this visit will alleviate, though little, the worries of the Albanian economic refugees in Greece?

[Meksi] I think that this will be a sign of good will for maintaining a good neighborliness and establishing better relations between Albania and Greece and between the

Albanian and Greek peoples. The assistance to be given by the Greek Government to the Albanian economic emigrants in Greece must consist of achieving a protocol agreement in the most possible forms of its solution. In this respect, we will discuss the relations of the emigrants in the economic respect and the opening of a new border-crossing point. It is known that the Greek side has helped Albania in one respect, by accepting these emigrants in an unorganized way mainly to work in Greece. At the same time considering the fact that not only the Albanians have been helped, but that the Greek side, too, has been helped through low cost Albanian labor, we will ask them to secure work for Albanians and allow them to stay there as long as they have regular labor relations, so that they can have a safe residence status. At the same time, we will make efforts for further employment in all possible forms through seasonal work and when there are requests for work at certain periods of the year and in special areas of Greece. Of course, this can be done if both sides are interested in such a thing.

[Ibrahim] What place will the Cam problem occupy in the official talks?

[Meksi] It is known that, alongside the problem of minorities, there is also the Cam problem. Of course, we will discuss them but the solution is not easy and the talks may be complex. For the first time, the democratic government has raised this problem during the visit of the Greek prime minister and we will discuss it again. We will try that this problem be considered and put forward for solution.

[Ibrahim] Mr. Prime Minister, another question. Will you discuss the situation in the region and the all national Albanian question?

[Meksi] We will try to make our stance clear and present our concern over a peaceful region in the Balkans, but simultaneously we will reveal our intolerance toward aggressive policies and policies of ethnic cleansing, bilateral relations, and the rights of Albanians in former Yugoslavia. In this respect, we will try to make clear to the Greek authorities that it is in the interest of the Greek people themselves to have a good friendship with Albania rather than with its opposers.

[Ibrahim] Thank you and we wish you success.

Serreqi Views Status of Albanians in Kosovo

AU1405151593 Cologne Deutschlandfunk Network in
German 0400 GMT 14 May 93

[Interview with Foreign Minister Alfred Serreqi by Rupert Neudeck "a short time ago in Albania"—recorded; Serreqi speaks in English with superimposed German translation]

[Text] [Neudeck] What are the guidelines for Albanian foreign policy regarding the conflicts in the remainder of Yugoslavia?

[Serreqi] As you know, Albania is a Balkan country, and it is a neighbor of the former Yugoslavia. Its relations with Yugoslavia are of a special nature. The reason is that there used to be 3.2 million Albanians in the former Yugoslavia. All these people are suffering, particularly the 2.2 million in Kosovo, who are exposed to terrible repression. It is not just repression, but actual military occupation. We are really very worried about the future of these Albanians. The situation is very risky, because there is the danger of conflict spreading from Bosnia to Kosovo and eventually to Albania. The war means nothing but bloodshed, because all Albanians are unarmed. International diplomacy is now exerting greater and more specific pressure. The American side particularly seems to be more willing to force the Serbian side into changing its policy.

[Neudeck] Minister, do the recent tensions at the Albanian border with Kosovo constitute a new situation? In Germany we heard about the murder of Albanians at this border.

[Serreqi] I think these criminal actions and the brutal killing of unarmed people who crossed the border into Kosovo from Albania are part of Serbia's provocative policy. We have concrete evidence that the border is not controlled by the Serbian Army but by the paramilitary militia, that is to say the Chetniks, who are nothing but ordinary criminals.

[Neudeck] I remember NATO Secretary General Woerner's visit to Tirana on 18 March 1993. In Germany we heard that Albania had asked for NATO membership. What does such a step mean, and what would NATO membership mean for your country?

[Serreqi] The Albanian Government is doing everything it can to be integrated into Europe. For us Albanians, NATO membership is very important. Albania is in a very difficult geopolitical situation, which is why we are doing everything to achieve NATO integration. We are aware of the difficulties, but we have made progress. We are optimistic.

[Neudeck] You received the Turkish and Bulgarian presidents here. How do you see the special situation and the relations with your neighboring countries, in particular with your southern neighbor, Greece?

[Serreqi] I think that Albanian-Greek relations are very important. Since we have those terrible tensions in the north, it is important to have good and peaceful relations in the south. To be quite frank, our relationship with Greece is very good. To lead a society from harsh dictatorship toward a free market economy, one has to pay a very high price. Of course, there are some questions pending between our two countries. Yet, we are constantly trying to improve relations. For example, there is a Greek minority in southern Albania, and there are many Albanians in Greece, emigrants who work

there. Some non-government circles within the Greek church have megalomaniac ideas that have poisoned the atmosphere between the two countries somewhat. Yet, with good will and great frankness, we can make good progress for constantly improving our relations.

Rugova Demands Independence for Kosovo

*AU1605185693 Tirana ATA in English 0908 GMT
16 May 93*

[Text] Tirana, May 16 (ATA)—There is repression in all areas in Kosovo, Dr. Ibrahim Rugova, president of the Republic of Kosovo, said at the beginning of the press conference. Still the Albanians are being dismissed. The provocation in the market of Pristine was a mass one, because there were thousands of people there. The destruction of RILINDJA keeps going on. Through PANORAMA the Serb government intends to liquidate completely this Albanian publishing house in Kosovo, but the Albanian reporters will not allow this.

All this shows that there is constant repression in Kosovo, coupled with mass provocations, sometimes more and sometimes less, according to hot-cold tactics, President Rugova declared. "We hail the dispatch of UN peace keeping troops in Macedonia and Kosovo. This shows that the community is more and more being aware of the need to adopt preventive measures in order to avoid the conflict in this region. We demand from the UN to endorse a resolution which creates possibilities to demilitarize Kosovo as a first step for the peaceful solution of the Kosovo issue." President Rugova also answered the questions of the reporters. Asked whether there is disagreement between the USA and the European states in regard to the solution of the crisis in former Yugoslavia, as Belgrade claims, President Rugova said that he did not see any great discord. "I observe differences in the consultations being held. The European Community is a community of many states, so it needs more time for consultations and decisions. The USA and the European states are more resolute to prevent war."

Answering another question President Rugova explained that Serb civilians, the Albanians' neighbours, are more and more involved in the repressive acts against the Albanians in Kosovo.

President Rugova appreciated the warnings for the cessation of Montenegro from Serbia, the more so if it is the will of Montenegro.

Rugova called ridiculous the threats by the Serb extremist Seselj for bombing the civil borders of some neighbouring states. "He behaves like Saddam Hussein. Let Seselj and extremists like him try to fight against the whole world."

President Rugova valued the veto exercised by the Republic of Albania in regard to the admission of the Republic of Macedonia in the CSCE, as a reasonable

step, because as a new state, it should fulfil all the conditions to be accepted to this organization.

President Rugova said that the maximum autonomy is not the solution to the Kosova issue. "We have the results of the referendum for the independence of Kosova. We demand the independence and neutrality of Kosova."

Unions View Contract, Warn of 'General Strike'

*AU1305162893 Tirana ATA in English 1024 GMT
13 May 93*

[Text] Tirana, May 13 (ATA)—On May 12, at the UITUA [United Independent Trade Unions of Albania] seat, representatives of 16 trade unions of economic branches held an emergency meeting in which they discussed the problem of collective contract. Despite the good wish of UITUA that the very embarrassing problems of the country be solved through dialogue and good will, the participants in the meeting said, unfortunately we observe that no legal conditions are created to reach such a contract, as the laws issued by the parliament contradict each other.

Regarding this problem they demanded an urgent meeting with the president, premier, minister of labour, emigration, and social assistance.

In conclusion, they decided that unless conditions are created to reach a collective contract on both levels, according to international standards, until May 20,

1993, the UITUA will resort to the last means of the trade union fight, first to an one hour warning strike and then to a general strike.

Foundation Created To Counteract Unemployment

*AU1405170593 Tirana ATA in English 1020 GMT
14 May 93*

[Text] Tirana, May 14 (ATA)—To help reduce the number of the unemployed in the country, the Council of Ministers recently adopted a special decision for the creation of the foundation for employment, self-employment, and professional formation. The foundation will simply be called "Fondi," based in Tirana with branches in all districts, considered as a juridical person and with administrative, technical, and financial independence supervised by the Ministry of Labour, Social Assistance, and of the Former Politically Persecuted Ones.

This foundation will stimulate and support small business, finance programs for professional formation also through work, etc. Financial resources will consist in funds from the Albanian Government and donators of various countries. The fund is free of taxes, payments, or various financial contributions.

In the context of a comprehensive cooperation with the Albanian state, the World Bank is working with the Ministry of Labour to prepare two four-year projects and to be financed by its credit worth 11 million U.S. dollars and an Albanian contribution worth 1 million U.S. dollars.

SDS Calls for Berov's Resignation*AU1405111393 Sofia Khorizont Radio Network in Bulgarian 0800 GMT 14 May 93*

[Text] [Announcer] Prime Minister Lyuben Berov should resign at once after assuming responsibility for yesterday's incidents and acts of violence committed against members of parliament from the Union of Democratic Forces [SDS]. This is what SDS Deputy Edvin Sugarev declared on behalf of his parliamentary group at the beginning of today's National Assembly plenary session.

Yesterday's incident represents a breach of the deputies' constitutional rights and of parliamentarism in our country, the SDS declaration, which Edvin Sugarev read from the rostrum, further stated. The SDS deputies intend to address all relevant international institutions for support in this case, which is not the result of a mistake or a misunderstanding, according to them.

The shouts of the SDS deputies who chanted: Resign, and Berov out of parliament, forced National Assembly Chairman Aleksandur Yordanov to interrupt the session for one hour.

Let us hear some more from our reporter Zlatina Georgieva, who is in the National Radio studio of the parliament building:

[Georgieva] The Bulgarian Socialist Party [BSP] Parliamentary Group also issued a declaration, which was read by Mr. Aleksandur Marinov. He pointed out that no debates should take place before the documentary evidence on the incident has been examined. The BSP Parliamentary Group expressed its support for the actions of the prime minister and the forces of law and order. The declaration denounces the attempts at destabilization committed by the SDS. I would like to add that I held an interview with Minister of Internal Affairs Viktor Mikhaylov a short while ago. He announced that yesterday's conflict is under investigation. The police camera did not film the act of hitting Mr. Savov, hence the assistance of the television camera team will be sought.

It is, however, known that M.P. Shopov from Plovdiv started pulling down the barriers and that this resulted in increasing the unrest of the crowds. The police forces were instructed to use blank cartridges if citizens went over the barriers.

Breaks in Parliamentary Session*AU1405114193 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 14 May 93*

[Zlatina Georgieva report]

[Excerpts] Recesses between two declarations and very little parliamentary control—this is how we can describe this morning's session at the National Assembly. [passage omitted]

After Mr. Stefan Savov declared that, according to the National Assembly's code of regulations, as a former parliamentary chairman he was entitled to a personal bodyguard, the unrest in the hall escalated to an inadmissible degree, which made a recess necessary.

After the recess, the session was supposed to resume the question and answer procedure, described as parliamentary control, as is usual on Friday mornings.

Minister Khristo Totev spoke on the state of the water supply locally and regionally, but this was the end of the question and answer session, because Mr. Ivan Kostov then asked why there had been no answer to the declaration of the Union of Democratic Forces [SDS] Parliamentary Group on part of the government.

Following this, Minister of Internal Affairs Viktor Mikhaylov took the floor. He said that there had been only one incident at yesterday's demonstration, because according to him, the SDS deputies, by leaving the parliament building, had encouraged their supporters to pull down the barriers [around the building]. This statement provoked fresh unrest and a new recess was announced. I cannot say when it will be over, but the fact is that Prime Minister Lyuben Berov is absent from the National Assembly hall in a meeting with the prime minister of the Republic of Komi at this moment, after which he is expected in parliament.

Mikhaylov Says SDS Deputies Provoked Incident*AU1405114393 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 14 May 93*

[Statement by Minister of Internal Affairs Viktor Mikhaylov in Sofia on 14 May—recorded]

[Text] [Begin Mikhaylov recording] At 1745 local time [1445 GMT] on 13 May a large crowd of Union of Democratic Forces [SDS] supporters gathered in front of the parliament building. Additional police were ordered in because the demonstrators were trying to pull down the metal barriers and to enter the off-limits guarded area within the premises of the parliament building. They might have entered the parliament building, which cannot be allowed in any normal state.

Hence, I dispatched more police to assist those already stationed within the parliament building so as to prevent the barriers from being pulled down. At that moment, at approximately 1745 local time [1445 GMT] or perhaps at 1746—the exact time is recorded on videotape—some SDS deputies appeared before their supporters and incited them even further. Well, you know how people usually incite their supporters. [laughs] In addition to this, SDS Member of Parliament Shopov from Plovdiv began to pull at the barriers himself trying to pull them down, whereupon the whole crowd surged forward and managed to break those strong metal barriers in two places. In one place the police managed to close the barriers again, but they were pulled down in an other place immediately after that. The policemen were not

numerous, as a matter of fact, but a group of them rushed to close the second barrier that had been pulled down, because, with such a large disorderly crowd, it was impossible to predict what might happen if the barriers came down. Actually, it might eventually have become necessary to even use firearms.

Mr. Savov happened to be caught between the group that pulled down the barrier and the group of security forces that was rushing to close the barriers, because he was standing precisely in that place. In the confusion, which is now under investigation, Mr. Savov got caught up among the two groups, slipped, and fell to the ground. Our people took him outside and handed him over him to his bodyguards.

After this, someone is supposed to have hit him. It is not clear whether he was kicked or whether someone stepped on his foot. The incident is now the subject of an official investigation, hence I cannot permit myself to express a definite opinion on how things developed. Nevertheless, I must say that whatever the result of the investigation, the police cannot remain passive where people are deliberately breaking the law by pulling down barriers surrounding the parliament and trying to enter its premises by force. [end recording]

Berov Rejects 'Pressure From Street' To Resign

AU1405193493 Sofia BTA in English 1821 GMT
14 May 93

[Text] Sofia, May 14 (BTA)—In a televised interview this evening Prime Minister Lyuben Berov said he would not tender his resignation under pressure from the street. He gave the interview in connection with yesterday's beating by police of the leader of the parliamentary Union of Democratic Forces (SDS) Stefan Savov, who called for the premier's resignation at an SDS rally in front of the parliament building.

"This government will not yield to street pressure. In normal, democratic states, there is just one way to elect or topple governments: by a vote of parliament," Mr. Berov said.

"The SDS rally yesterday, the procession and the concert were orderly, the incident in front of the National Assembly would not have occurred if some MP's had not come close to participants, which made them move and break some of the fences in front of the building," said the prime minister, who specified he had not yet seen a video tape of the incident.

The premier said the number of participants was negligible.

Parliament today discussed the incident, asking an explanation from the minister of the interior. The prime minister was not present. He said he had to meet with the visiting prime minister of the Komi Republic.

The parliamentary SDS today asked Mr. Berov to resign.

35 mayors and acting mayors today asked in an address that the prime minister reviews the performance of the ministries in his charge, give up the personal changes in the government and propose to amend the budget before the final vote in parliament.

Minister of Justice Vulchev Dies of Heart Attack

AU1505134093 Sofia Khorizont Radio Network in
Bulgarian 0900 GMT 15 May 93

[Text] The Press Center of the Council of Ministers has been authorized to announce with deep sorrow that Minister of Justice Misho Vulchev has died.

On 13 May Minister Vulchev was brought to the emergency ward of the Lozenets Cardiology Clinic. The consultation, with the participation of Professor Dr. Iliya Tomov, chief cardiology expert of the Ministry of Health, Prof. Mladen Grigorov, head of the Cardiology Department, and Docent Dimitur Dimov, head of the clinic's cardiology department, found that an acute heart attack had taken place.

Regardless of the intensive measure that were taken, today at 0823 [0523 GMT] Minister Misho Vulchev died.

Karabashev Reports on Brussels Aid Negotiations

AU1405201893 Sofia BTA in English 1806 GMT
14 May 93

[Text] Sofia, May 14 (BTA)—"One of the questions posed by the Bulgarian delegation was about the economic difficulties for Bulgaria created by the embargo against the former Yugoslavia. No specific promises or commitments were made but we were told that Bulgaria's economic difficulties would be taken into account in decisions about loans and agreements." Deputy Prime Minister and Trade Minister Valentin Karabashev said in an interview on national radio on his return from Brussels. He led a Bulgarian Government delegation to a meeting of the consultative group for Bulgaria, including representatives of international financial institutions.

The Bulgarian cabinet ministers and experts in communications, transport and power engineering of the consultative group of donors discussed in Brussels the cabinet's investment policy, the state of Bulgaria's economy and conditions for a new standby agreement with the International Monetary Fund.

The consultative committee asked the government officials to convey to the Bulgarian institutions its request to speed up the reform.

The representatives of the world economic community, most G-24 member countries, and the European and world banking institutions made specific promises, said national radio in the evening newscast. About 500 million dollars will be extended this year, mostly to stabilize the balance of payments as well as in the form of credit lines and technical assistance.

The package of loans and other financial assistance will include 100 million dollars from Japan, 32 million dollars from Switzerland, and 13 million dollars from Norway. The World Bank will extend a 100 million dollar loan of the second tranche if regulations on bank supervision are passed. Germany, Greece and Italy will also offer credit lines.

Valentin Karabashev said Bulgaria could be offered greater assistance. However, many countries set conditions such as speedier passage of economic, social, banking and tax laws, the passage of the 1993 Budget Act, settlement of bad debts and faster privatization. If these conditions are met, Bulgaria may sign a new agreement with the IMF within two months, which will attract substantial financial assistance from other countries.

The donors on the investment programme in transport and power engineering made no specific commitments, Mr. Karabashev said, answering a reporter question at the airport.

At the talks in Brussels yesterday, the officials expressed the opinion the old centralized system, inconsistent with the country's free market choice, still exists in Bulgaria. At the same time, the national budget is fragile, while it requires time to work out a new system. Yet Bulgaria has displayed initiative in the social sphere. Mr. Wiehen, a director of the World Bank, who heads its delegation, said the government should work out two "White papers" on the social reform.

In his expose yesterday, Finance Minister Stoyan Aleksandrov said private business in Bulgaria is facing many obstacles. These are of psychological, political, or social nature or relate to the process of change and the government's lack of a position on denationalization. Privatization is being effected by the central government and will not be completed soon, as the government is making decisions which the institutions are not carrying out. There are no clear-cut financial mechanisms. A large number of privatization deals are expected to be made in June, according to the minister.

EFTA Economic Commission Opens Conference

*AU1305193593 Sofia BTA in English 1804 GMT
13 May 93*

[Text] Sofia, May 13 (BTA)—The Economic Commission of the European Free Trade Association (EFTA) opened a conference here today. The idea of the conference is to exchange information on Bulgaria's macroeconomic and monetary policy and on the opportunities for the promotion of trade cooperation, said the head of the EFTA delegation Mr. Walter Brodmann. The EFTA

delegation includes members of the secretariat and experts of the finance ministries and the central banks of the member countries.

At the meeting, Bulgaria is represented by officials of the Ministries of Finance, Trade, and Foreign Affairs, the Agency for Economic Coordination and Development, the Privatization Agency and the National Bank of Bulgaria.

The progress of Bulgaria's macroeconomic stabilization programme, the restructuring of the banking sector, the 1993 national budget and the foreign debt were high on the agenda of today's meeting. The discussions will go on tomorrow, focusing on the fiscal reform, privatization and the labour market.

No specific decisions will be made on the questions under discussion. The meeting is intended rather as an exchange of ideas and sharing of information, Mr. Brodmann told BTA. He said that before arriving here, the delegation had attended a similar conference in Romania. The situation there is radically different from that in Bulgaria, Mr. Brodmann said, citing as an example the stable exchange rate of the lev and its positive influence on inflation.

Bulgaria signed a free trade agreement with EFTA on March 29, 1993.

Cabinet Finalizes Gambling Licenses

*AU1305193793 Sofia BTA in English 1826 GMT
13 May 93*

[Text] Sofia, May 13 (BTA)—At its meeting today, the Council of Ministers adopted the finalized version of an ordinance on the procedure and terms for the issue of licences for the organization of gambling. The ordinance fixes the stamp duty which will be charged on filing an application in writing for a gambling licence and after a licence is granted: 100,000 and 700,000 leva, respectively, for a bingo hall, and 200,000 and 1,000,000 leva for a casino, said government spokesman Raycho Raykov.

The government today adopted a decision extending formal recognition to the international legal status of Cambodia's Supreme National Council. Bulgaria's charge d'affaires in Phnom Penh will be accredited to the Supreme National Council.

On the motion of Prof. Berov, prime minister and minister of foreign affairs, the cabinet assented to the opening of a Consulate General of Bulgaria in Hong Kong.

The Council of Ministers approved and will move to parliament for ratification the bilateral agreements on Bulgaria's official debt rescheduling with Finland and the FRG and an agreement on the avoidance of double taxation of income and property with Luxembourg.

Klaus Speech to European Conference

AU1505183193 Prague TELEGRAF in Czech
13 May 93 p 9

["Complete text" of speech by Prime Minister Vaclav Klaus at a conference organized by THE ECONOMIST in Barcelona on 11 May: "Europe Today and Tomorrow From the Central European Perspective"]

[Text] Esteemed Mr. Chairman, ladies, and gentlemen: It gives me great pleasure to address this important conference and, thus, have the opportunity to say a few words about the issues that concern all of us. The title of my speech indicates that I am trying to stick to the topic of the conference and not merely use this opportunity to advertise the most successful post-communist country, the Czech Republic, which I have the honor of representing here. On the one hand, I was probably not invited to deliver such a speech, but on the other hand, it would be pointless, because it is quite evident that the Czech Republic is undergoing the most rapid, the most complete, and also the most consistent political, social, and economic transformation in the whole of the post-communist world.

Instead of such propaganda, I will first try to talk about the political dimension of the current European situation, then about the economic aspects of this situation, and finally about the special tasks facing the post-communist countries.

The Political Dimension

The end of the cold war and the irrational and unnatural division of Europe into two antagonistic and uncooperating blocs—prepared during the last two decades and finally completed in 1989—grants all of us a unique opportunity to fundamentally change our hopes, dreams, and visions and our political and economic institutions and strategies.

A long-awaited opportunity has materialized for a bold political initiative on both sides of Europe. Some of us have been active in fostering it and, consequently, have the right to express our rather unpleasant feeling that this opportunity has not yet been seized and utilized and that, in this regard, something significant is desired and expected.

The sudden collapse of communism in Central and East Europe along with the attempts to achieve a higher level of formal integration into Western Europe have created another, in many respects hopeful, world, but at the same time it is a world full of new problems and ambiguities, fulfilled and unfulfilled promises, and dangerously high expectations. Therefore, side-by-side we encounter hopes and fears, improvement and decline, and a reduction in the global military threat and new areas and regions of instability; we behold the opening and closing of markets, more intense cooperation and more intense antagonism, and the internationalization

of numerous human activities and increasing nationalism; we witness de-etatism, deregulation, and liberalization counterbalanced by new forms of regulation, new barriers, and sudden faith in the blessing of "refined" state interventions; we see greater personal freedom following the collapse of the despotic regimes and totalitarian ideologies and the increasing dominance of constant and omnipresent bureaucracy, rising cultural awareness, and rampant technocracy—these are only a few of the examples I will mention here.

The generally accepted view is that these ambiguities are caused by the remnants of our communist heritage, nationalist prejudices and ambitions, a lack of understanding for the advantages of unification, formal integration, and the citizens of West Europe, our cultural and intellectual immaturity, general human failings, and so on. I am afraid that reality requires another more complex, less excusable, and less charitable explanation. We must now face the following:

- the surreptitious recentralization of the economic processes and the bureaucratization of everyday life, which is more than abundantly demonstrated by the incalculable number of regulations, provisions, prohibitions, and instructions;
- the massive increase in nonproductive activity and the power throughout society of pressure groups and various special interest groups;
- the loss of standard domestic control mechanisms, which is a consequence of transferring decisionmaking powers in a whole range of issues to unelected international bodies;
- the lack of political courage and gumption when politicians have a tendency to remain in office as long as possible and discriminate in favor of prominent, visible, and voluble pressure groups to the detriment of unorganized groups and the public interest in general;
- the deep-rooted etatist thinking and fantasies about state paternalism, social privileges, and so on.

It is our task to identify such dangers, to talk openly about them, to confront them, and to take measures that will lead to a decisive turnaround. Otherwise, the tasks and challenges facing us cannot be fulfilled.

Economic Problems

The economic problems in the post-communist countries cannot be, either for their politicians or citizens, reduced to sensitivity to the European Monetary Union (EMU)—to issues of stability or confusion on the currency markets—or to the fiscal redistribution policies of the European Community and its fragile rules. We have our own reservations that stem from our specific experience. We are opposed to all kinds of centralism, to state paternalism, to the obscure practices of bodies located far from us, and to burdensome social policy with its

inflationary tendencies and antimotivation impact. We know it is possible to implement fiscal and monetary policy by simple, conservative, moderate, market-economic means, and therefore, monetary and fiscal policy is not the focus of our attention. Nevertheless, we are very cautious as far as other forms of government (supragovernment in the EC's case) interventions in trade and industrial policy are concerned. This policy represents a direct, undeniable, and indefensible violation of the fundamental principles of a free society and market economy. The principles of "cautious activism" and the shift away from a free trade policy toward "refined" trade interventions—which are defended by the new U.S. Administration's economic team and are in fact implemented by many European countries—are our main targets. Today's fashionable ideas about "managed trade" threaten to impoverish the whole world (especially the post-communist and developing countries). It is certain that fully implementing these ideas would expand the area of instability and undermine the delicate social fabric of the newly evolving democracies. The scene is now set for a substantial—but not just rhetorical—revision of European institutions and strategies.

We have understood that managed trade means retaliatory measures introduced as soon as a country like the Czech Republic scores an export success on Western markets. Our experiences with steel, textiles, agricultural products, cement, tractors, and other farming equipment and machinery permit me to say this plainly and bluntly.

We are convinced that in this "wonderful" new world of managed trade almost everyone will suffer. This is an indisputable theoretical argument. However, we know more. We know that the countries that emerged from the decades of directive economic irrationality will suffer most of all. There are two main reasons for this:

- these countries are losing trade among themselves, and so they are trying desperately to find new markets. Positively motivated suggestions that they look for trade among themselves (accompanied vis-a-vis by enthusiasm for subregional artificial entities like the Visegrad Group [Czech Republic, Slovakia, Hungary, Poland]) make no sense. There is no way to restore former trade links without returning to central planning. The flow of trade within CEMA was not based on comparative advantages and cannot be renewed without direct coercion. Apart from this, the tendency to import from these countries has declined dramatically, and there has been an unavoidable—in essence healthy—decline in overall output that took place here during the first transformation phase. Therefore, trade barriers in Western Europe present a direct threat to our "velvet" revolutions;
- managed trade, reparation for imports, and support for exports (in association with other forms of industrial policy) are extremely costly. Rich Western countries can afford this, but we cannot and, therefore, we are unable to compete with them. Every day I have to face (and turn down) requests for assistance "at least"

at the EC level. We have to reconstruct our entire country, clean up the air, rivers, and land, and modernize our outdated infrastructure, to say nothing of our other tasks. We do not even have enough money for measures beneficial to a market economy. For this reason, Western companies are very successful if they drive us out of the market of other post-communist and developing countries.

I am aware of the current economic difficulties in West Europe and of the ensuing political and social pressures that accompany them. However, I cannot accept far-reaching protectionism justified merely by arguments such as "deep economic recession." To call 1, 2, or 3 percent below the average level of growth a tragedy or a crisis causes us to exhaust our limited vocabulary, because this means we are deprived of the terminology we need to describe the 10, 20, or 30-percent decline in output we are seeing in our part of the world. To try to justify the recent increase in protectionism by using standard cyclical arguments is shortsighted, obviously self-serving, and morally and intellectually indefensible. The situation since 1989 calls for a new bold initiative on both sides of Europe, and not merely for passive nostalgia for the simpler old world.

Special Tasks in Post-Communist Countries

The countries of Central and East Europe must pursue a rapid systematic transformation in all spheres of life and activity. Political stability, the formation of standard political parties, and the introduction of political pluralism are fundamental conditions for such transformation. The political aspect of transformation must be mastered first. It is impossible to arrive at indispensable political and social consensus and implement the subsequent economic reforms without change.

Following successful changeover, economic transformation must begin by taking three reform steps in the following logical order:

- a) A restrictive macroeconomic policy. Its purpose is macroeconomic stability, controlling inflation and the trade and payments imbalance, and proclaiming an imminent change to the entire economic climate—a radical shift from paternalistic irresponsibility in the behavior of economic factors to an effective motivating environment. Immediately after preparing the ground on the macro level and in the psychological sphere, the next step must be taken.
- b) Liberalizing prices and foreign trade awakens dormant markets, restores real values to all human activities capable of competition, and opens the doors to the rest of the world. If the ground is properly prepared by means of a courageous macroeconomic policy, deregulating the market can (and must be) implemented by a form of "shock therapy" with the added certainty that the subsequent price increases will quickly come to a halt. It is clear to us that phasing in price deregulation would destroy all the positive results. (However, we have to differentiate between phasing in shock

therapy throughout the reform process and arranging it in only one part of the process—prices liberalization and foreign trade.)

c) Mass privatization means a decisive step toward private enterprise, private property, and the free market. Because speed is of the essence, the government must abandon ambitions of maximizing revenue from privatization and must—apart from implementing standard methods—also implement innovative, nonstandard methods of privatization. Czechoslovak coupon privatization belongs to this category.

All the other reform measures can be implemented in any order and are ready for implementation at any time.

The countries of Central and East Europe are moving in the right direction but at different speeds. It is our common task to help them complete the process. Without this resolution, the Europe of today and tomorrow will not be the continent we want it to be. I hope the West will be on our side, because the subsequent benefits will be divided equally.

Privatization Shares Distribution To Start

*AU1405171293 Prague CTK in English 0633 GMT
13 May 93*

[Text] Prague, May 12 (CTK)—The Coupon Privatization Center (CKP) will start handing over Czech enterprises shares, acquired by investors in the first wave of coupon privatization last year, on Monday, May 24, CKP Director Jaroslav Lizner told CTK tonight.

The shares distribution will continue through June 30, he added.

The Czech Government today decided to go ahead with distributing the shares to the holders of investment coupons and to privatization investment funds. It thus canceled its decision of March 17 to postpone the shares distribution in reaction to the Slovaks' delaying tactics applied in former federal property division.

[Prague HOSPODARSKE NOVINY in Czech on 13 May on page 1 in a similar report adds: "Those coming to the registration center within the specified period, will receive an excerpt from the records and, on 1 July 1993 the shares will be registered in their name."]

Statistics Show Increase in Crime in Prague

*AU1405174893 Prague CTK in English 1231 GMT
12 May 93*

[Text] Prague, May 12 (CTK)—Criminal charges against 66,478 people were brought by the Prague City Prosecutor's Office last year which is 5090 more than in 1991, Tomas Blaha, Prague's deputy prosecutor, told journalists today.

He said that only north Moravia had registered a higher crime rate than Prague in the same period.

According to Blaha, the number of crimes committed in the capital of the Czech Republic has not noticeably increased compared with the same period last year. He pointed out, however, that the percentage of unsolved cases in Prague was high and reached 84.6 percent in 1992.

Prague's share in the total number of crimes registered in 1992 in the Czech Republic exceeded 22 percent.

While only 14 persons were prosecuted for currency forgery in 1991 last year 142 people were charged with this crime, representatives of Prague prosecutor told journalists.

Of the total 40 murders recorded in 1992, 30 were solved and criminal charges were brought against 26 offenders, they added.

They said a shortage of prosecutors represented the greatest problem. Of the planned 157 prosecutors 51 were lacking by the end of 1992.

The main reason for prosecutors leaving their jobs was the low salary. A starting salary for a prosecutor amounts to 6,000 korunas a month (some \$200) and it may reach 11,100 korunas a month (about \$400) after 30 years of work. A prepared amendment on prosecutor wages foresees a starting salary of 10,000 korunas (\$330).

Meciar Reportedly Clashes With Minister Dolgos *AU1405151093*

[Editorial Report] Bratislava NARODNA OBRODA in Slovak on 12 May and Bratislava HOSPODARSKE NOVINY in Slovak on 13 May both publish items indicating, or responding to, disagreements between Prime Minister Vladimir Meciar and Minister for the Administration and Privatization of National Property Lubomir Dolgos.

Bratislava NARODNA OBRODA in Slovak on 12 May on page 12, in its "Monitor" column, carries a 400-word article entitled "Vladimir Meciar's 'Dialogue' With Lubomir Dolgos." The article, which is reprinted from the 11 May issue of Bratislava PRACA in Slovak, gives an account of an incident that occurred at a panel discussion in the Contact Business Club in Bratislava on 6 May, which was attended by both Meciar and Dolgos. According to the article, Dolgos was confronted with the criticism that the tax relief measures approved by the Slovak Government apply only to entrepreneurs registered since the beginning of this year and thereby discriminate against businesses registered in 1992. The minister reportedly gave the following reply: "The tax relief measures adopted by the government were approved behind my back. I was paying an official visit to France at the time, as the prime minister will surely confirm. The original idea was different. The tax relief system adopted by the government differs slightly from the original plan and contains certain limitations that do not apply to newly opened businesses. As I was not present, this question should be addressed more to the prime minister. I shall hand the microphone to him."

Meciar reportedly responded to Dolgos' statement as follows: "Do you still consider yourself a member of this government?! If you do, do not damage the name of your own company as long as you sit in it!"

Bratislava HOSPODARSKE NOVINY in Slovak on 13 May on page 2 carries a 250-word TA SR report on a Movement for a Democratic Slovakia [HZDS] briefing held in Bratislava on 12 May. The opening passage of the report reads: "'I do not know about any dispute with Dolgos. We can have different views on many things, but that does not necessarily mean that there is a dispute between us,' HZDS Chairman Vladimir Meciar told a news conference in Bratislava yesterday in response to speculations raised by representatives of the Party of Conservative Democrats that Lubomir Dolgos, minister for the administration and privatization of national property and HZDS deputy chairman, might submit his resignation as a sign of his disagreement with the policies of the Slovak prime minister."

Meciar Concedes Possibility of Early Elections *AU1405150193*

[Editorial Report] Slovak newspapers on 13 May carry 200 to 650-word TA SR and correspondents' reports on a Movement for a Democratic Slovakia [HZDS] briefing

in Bratislava on 12 May, which was attended by Prime Minister and HZDS Chairman Vladimir Meciar. The reports focus on Meciar's remarks on the property dispute with the Czech Republic, the possibility of early elections, and appointments to currently vacant positions in the state administration.

Bratislava SMENA in Slovak on 13 May on page 2 carries a 450-word "zl"-signed report entitled "Will They Be Stripped of Their Mandates?" The report includes the following passage: "Asked by SMENA what he thought about the possibility of early elections being called, Vladimir Meciar said that all elections are expressions of the citizens' will. Should this will be deformed by political speculation and should we not succeed in stabilizing the political scene, in that case it would be necessary to embark upon new elections. Meciar said that deputies who do not want to fulfill their electoral program should either be stripped of their mandates or they should be made to pay compensation to the parties and movements on whose tickets they stood in the elections."

Bratislava REPUBLIKA in Slovak on 13 May on page 3 carries a 600-word TA SR report entitled "Commotion Not Only About Posts." Referring to Meciar's remarks about vacant positions in the state administration, the report says: "Filling the post of governor of the Slovak National Bank [NBS] is an important signal for abroad, in Vladimir Meciar's opinion. He stressed that the selection of the NBS governor and vice governors must not be politically motivated. As for the posts of chairman and two deputy chairmen of the Supreme Control Office, this is a more complex problem, according to Meciar. Nevertheless, he did not rule out an agreement among political parties on this issue. The prime minister stressed that the HZDS does seek a majority position in this office."

According to the REPUBLIKA report, Meciar also commented on the property dispute with the Czech Republic: "Vladimir Meciar categorically rejected the accusation, supposedly raised in Saturday's [8 May] 'Events' program on Czech Television, that he had served the 'Ludakist Slovak state' during World War II. He was two years old then and the Germans had 'twice put him up against a wall,' together with his parents. Vladimir Meciar voiced the assumption that this accusation was raised against him in conjunction with the reassessment in the Czech Republic of its past relations with Germany. The Slovak Republic has not conducted any negotiations with the FRG on this issue, he said: 'In the event of the Czech Republic resorting to such steps [negotiations with Germany on compensation for Czech victims of Nazi occupation], we will not agree to the Czech Republic becoming the successor to all assets. Slovakia has 8 billion Swiss francs worth of assets in former Germany, stemming from unpaid liabilities and unsettled credits and debts.' If the Czech Republic wants to set off these assets against Germany's claims in its

possible negotiations with the FRG, it can do so only at the price of a financial settlement with the Slovak Republic, Meciar said."

Bratislava SLOVENSKY DENNIK in Slovak on 13 May on pages 1 and 2 carries a 650-word "ma"-signed report on the HZDS briefing entitled "Battle for NBS Governor." The report includes the following passage: "The prime minister took a stand on the talks on dividing the former CSFR's property. He said that the original sum of \$17.5 billion, calculated by a commission of the Slovak Ministry of Finance [as the Slovak claim against the Czech Republic], has been reduced following a meeting with President Kovac. He conceded that there was discontent among our compatriots in Poland with the demand for compensation for villages that they inhabit and their wish that this territory be returned to Slovakia. The prime minister considers this to be out of the question, however, because 'any border change in the north will call in question the border in the south.' According to the prime minister, questions on which the Czech side had refused to negotiate have actually already become the subject of negotiations. In appraising the value of the land of the ceded Slovak villages, the Slovak side supposedly goes well below its true value. As for the price of the flag, Vladimir Meciar considers the sum of 40 billion korunas to be an acceptable starting point for negotiations. As the Slovak Ministry of Finance had told the prime minister, this is the flag's value as estimated by Czech journalists."

Kovac Rejects Military Participation in B-H

*LD1405194993 Prague CTK in English 1755 GMT
14 May 93*

[Text] Sered, west Slovakia, May 14 (CTK)—Slovakia is too young a state to venture to take part in possible military interference in Bosnia with its own military contingent, Slovak President Michal Kovac told CTK today.

Speaking at the ceremonial departure of the First Slovak Engineering Battalion, which is leaving for the former Yugoslavia to join the United Nations Peace Protection

Force (UNPROFOR), Kovac stressed that if such an intervention is undertaken as the last resort to solve the Bosnian crisis the Slovak Army could provide solely provisional units.

Kovac said that all possibilities offered by diplomacy and international agreements should be realised before a decision on possible military interference is made. He voiced concern over the fate of the Slovak minority in the former Yugoslavia, adding that for this reason Slovakia should not participate in any military action in Bosnia directly, as much as it should like to.

Kovac Receives Kuwaiti Minister of Communications

*LD1405200093 Prague CTK in English 1800 GMT
14 May 93*

[Text] Bratislava, May 14 (CTK)—Slovak President Michal Kovac today received Kuwaiti minister of communications and the personal envoy of the Kuwaiti Amir Habib Hasan Jawar Hayat, to discuss Slovak-Kuwaiti relations.

After the meeting, Hayat told journalists that he had come to Slovakia with an offer to establish a Kuwaiti-Slovak committee to deal with the development of economic relations between the two countries.

The Kuwaiti guest expressed concern over Iraq's behaviour which, as he said, does not comply with the United Nations Security Council resolutions. He also stated that Iraq refuses to hand over a large group of Kuwaiti captives. Hayat said that the Slovak president has assured him of the Slovak Republic's full support for Kuwait's just demands towards Iraq ensuing from the recent Iraqi invasion of Kuwait.

Hayat voiced the conviction that the traditionally good relations which existed between Kuwait and the former Czechoslovakia will continue after Czechoslovakia's dissolution and stressed Kuwait's interest in developing relations with both its successor states.

Minister Jeszenszky on NATO Guarantees*LD1405171393 Budapest MTI in English 1651 GMT
14 May 93*

[Text] Strasbourg, May 14 (MTI)—“I feel it is natural for Hungary to tell Western friends about the economic and security problems it faces as a result of the south Slav crisis, including public threats,” Foreign Minister Geza Jeszenszky noted to Hungarian reporters at the Council of Europe session interval in Strasbourg on Friday.

Security assurances to be provided for Hungary are the subject of continual talks between Hungary and NATO, Jeszenszky said, adding that the presence of AWACS planes in Hungary's airspace may be considered such a guarantee. He thought his Monday [17 May] visit to NATO's Brussels headquarters would allow for further discussions on the matter.

Regarding Western press reports of Hungary's need for certain anti-aircraft missiles, Jeszenszky said that security can be strengthened by both physical and political means, and that the two are not contradictory. If a political decision is made, its implementation is only a matter of technics, he said.

Asked about his expectations from his Brussels trip starting Monday, the foreign minister said it was too early to guess, but NATO, and especially NATO Secretary-General Manfred Woerner, “has always shown great understanding towards Hungary's security situation.”

Antall Interviewed on Hungarian-Ukrainian Treaty*LD1505223093 Budapest Kossuth Radio Network in Hungarian 0905 GMT 15 May 93*

[Interview with Prime Minister Jozsef Antall by station correspondent Jozsef Szabo; place and date not given—recorded]

[Excerpts] [Szabo] Mr Prime Minister, in parliament you recently began your speech with the sentence: I accept with full responsibility the treaty—we are talking about the Hungarian-Ukrainian treaty—and all its consequences. This sentence sounds fairly dramatic, but I think that the debate and the topic itself are fairly dramatic: the border issues, problems of the inviolability of borders, and the debate that has evolved around this.

[Antall] It can be said that it did indeed sound dramatic, but I think that in a parliamentary debate, where I had to speak as prime minister, as a signatory to the Ukrainian-Hungarian basic treaty, I could only do so by saying that I was making this statement as a responsible government, a responsible government head. [passage omitted]

[Szabo] Anyway, I feel that it is an astonishing exaggeration that the opposers of the treaty called the supporters of the treaty and also the drafters of the treaty unpatriotic.

[Antall] I think that, as the Hungarian National Assembly adopted the basic treaty by almost 80 percent in favor, it would be very daring to consider 80 percent of the National Assembly unpatriotic. And then how should those belonging to the other category, the abstainers and opposers, be classed? I think these are rhetorical exaggerations. And I think ...[pauses] I stood up at the end of my speech and I said that in this parliament similar charges were levelled before, and later it turned out more than once that those who were charged with being unpatriotic were serving the country.

I do not want to add to this dramatic part [of the speech] or to the series of political orations. I can only say in connection with this that it is a basic interest of Hungary to have an independent and sovereign Ukraine in its neighborhood. Beside its entire geographical position and its place in the region, it is extremely important for Hungary to be on friendly terms with the largest country of the region, Ukraine—with a population of 55 million—and to facilitate the stability of the region together with the other countries with which Ukraine has concluded treaties in a similar way.

In the border issue Hungary—and I said this as well in my speech—as a result of two peace treaties lives within its present borders. Nobody has said that the Trianon peace treaty should not cause us pain. It causes all of us the greatest pain and it is no coincidence that the Trianon peace treaty was experienced by the Hungarian nation, by Hungary, as a second Mohacs [defeat by Turks in 1526].

It is very simple [to understand], and I have said it very many times also in the course of my trips abroad, what it means that a third of the population, a third of the Hungarian nation, or our territories—among them our historical territories, where every stone reminds us of the Hungarian culture, of Hungarian history—were split off from the country on the basis of this peace diktat. What this means, too, is simply that there is virtually no family where among the ancestors there is not someone, or more than one person, or the entire family, who originate from these territories. Anyone who takes it ill that the Hungarians find pain in this, that person is either a pharisee vis-a-vis himself or he does not understand the soul of the people. It is another issue what kind of pain this causes all of us. And this pain can neither be taken away from us, nor can we be comforted over this pain. This is one aspect of this matter.

Its other aspect is that in 1993, after two peace treaties that determined our territories, after the Helsinki, the Paris and other international agreements, what it means to Hungary is that the world considers the present status quo, the present borders, as having to be maintained. The entire present international and security system is built on the premise that we function by maintaining the present borders and by not destabilizing these territories.

[Szabo] Can it perhaps be hoped that the positive decision taken in the Hungarian-Ukrainian basic treaty

might favorably influence, let us say, our future relations with the Slovaks, or the Romanians, where border questions likewise come up?

[Antall] The reason why I said in my speech that the Ukrainian-Hungarian basic treaty is not a precedent—naturally in cases like this one always has to reckon with the fact that people deliberately misinterpret one's words, on both sides—but the way I understand this, and the way I meant it, is that the Trianon peace treaty did not come into existence between Ukraine and Hungary, that is to say that Ukraine did not exist at the time of the Trianon peace treaty. The Paris peace treaty was signed by Ukraine not as an independent country, as a formal member of the United Nations, together with Belarusia, apart from the Soviet Union, as a member of the UN. [as heard] On the other hand, Hungary's border was defined not between Ukraine and Hungary, but between the Soviet Union and Hungary.

Apart from this, the borders of Ukraine are extremely uncertain, and Ukrainian sensitivity in this area was fairly great at the time of the proclamation of Ukrainian independence, but today as well. Ukraine, it is obvious, has serious anxieties in regard to its security, in regard to its independent borders, its independence, its borders. [passage omitted]

Since this is a separate, special case, as distinct from those countries with which the border issue in its present form is settled, from the international legal viewpoint as well, on the basis of two peace treaties and other international agreements and statements, the two things cannot be confused. In other words, it cannot be expected of Hungary that after the two peace treaties and other international agreements, it should ad nauseam keep reiterating the earlier agreements in the border issue. This applies to Romania just as much as to Slovakia or Serbia. It was not this government that determined these borders; it was not this government that signed these peace treaties. But under unfavorable circumstances, after the losing of two world wars, these had already been signed decades ago.

And when our government is confronted with these issues it assesses the international situation, it assesses the region's problems and it assesses the interests of Hungary, and the interests of Hungarians [magyarsag] beyond the borders. We think that the most important thing is that the Hungarians [ibid] should remain on their native soil [szülőföld]; that they should be able to develop their autonomy in every regard, personal autonomy, cultural and self-government autonomy. At the same time that they should also be able to ensure that they can survive in the place where they live, with education, with the appropriate language use, with the appropriate national awareness. Because if we maintain certain principles in theory, and at the same time we do not ensure the possibilities for autonomy and we do not ensure with an appropriate system of relations that they

should be able to survive on their native soil, then naturally there is no point in talking any more about these issues.

Therefore, it was in the interest of the Hungarian national minorities that we took this step and that we will take those steps which, taking into consideration what I have said above, will ensure that we are on good terms with the neighboring countries, that we trust one another, and at the same time that we should be able to guarantee the autonomy of the national minorities.

[Szabo] From internal policy aspects, how do you assess, Mr Prime Minister, that in this debate, in the debate of the Hungarian-Ukrainian basic treaty the socialists and the free democrats voted together with the governing parties's majority?

[Antall] First of all I have to say that in general in foreign policy related issues it is natural, since previously the parliament has also passed the Spanish-Hungarian treaty unitedly.

[Szabo] But the question was, whether [Antall tries to interrupt him, thus a part of the question is indistinct] it has any other internal policy implication?

[Antall] [Antall interrupts, heard speaking over interviewer's question] ...the question, the question, as a matter of fact in foreign policy aspects this is obviously natural. [passage omitted] In this case only one thing can be done, that both politically and as a prime minister I shoulder the responsibility for it and do not try to elude it. This can be said. [passage omitted] I also have to say that those deputies and those government members, that is the whole government [passage omitted]—in this case those who took the responsibility for the decision, those took it knowing all this and those who did not take it those very often—did so knowing that the majority would vote in favor and so they do not have to count with the reverse disadvantages at all, since the majority would pass it the disadvantages of failing to pass it will not afflict the country and the minority living there and they can go on presenting themselves as tough and political daredevils or as [people] who refused it from moral points of view.

[Szabo] I know that internal and foreign policies cannot be separated from each other. Maybe therefore I dare to ask whether any kind of internal policy consequence can be drawn from this decision and from the circumstances of making the decision?

[Antall] It can be concluded obviously that there is a political group, also within the government coalition or even within the Hungarian democratic forum, which objects to the Hungarian-Ukrainian basic treaty, objects to the schedule of privatization and any other question that the government pursues as main direction.

[Szabo] [passage omitted] Many problems have been raised in connection with privatization in the recent past. [passage elaboration]

[Antall] One of the issues is that privatization has to carry on. So, privatization is simply our economic political objective, and if we do not continue privatization and if privatization does not succeed then it will be not simply a question of the country's revenues, not just of the transformation, but in that case it will also be a question of our having been unable to transform the country's economic and social structure. When we came to power we said that in the period of our term of office we will increase to 50 percent the approximately 10 percent share of private ownership in the economy. [passage omitted] We have managed to raise this to 40-45 percent by now, compared to the 8-10 percent before the elections. [passage omitted]

The other thing is that it is thanks to privatization that foreign capital is invested in Hungary. [passage omitted] We have to say that foreign capital investment in Hungary exceeded five thousand million dollars in this period. [passage omitted] So, all these issues contribute to the fact that the situation of the Hungarian economy, in this grave situation in which we find ourselves, accompanied by crisis phenomena, still has to be evaluated as positive.

[Szabo] You mentioned crisis phenomena. Should we not judge the present situation as a little bit, or not even a little bit, critical?

[Antall] Crisis can be understood in many different ways. [passage omitted] If by crisis we understand that, alongside the transformation, the industry which evolved in the previous system and which lost a large part of its markets with the former Soviet Union, with this region's becoming insolvent, then it is obvious that in a significant part of the economic branches, and in significant areas, we can talk about a real crisis. Whether we describe this as a crisis applying to the country as a whole, that would in fact be splitting hairs. What I can say is that the Hungarian economy is going through a serious critical period and we have to find an appropriate remedy for this, so that we can lead the country out of it.

[Szabo] You have painted a very realistic picture, I feel, about the situation of the Hungarian economy. At the same time a lot of accusations are being levelled at the government with reference to the fact that, particularly in view of the forthcoming elections, and the election campaign which has in fact already got under way, the government is trying to influence the population—which naturally can sense this crisis—with some kind of social package deal that is not always in harmony with the country's real economic situation which you have also just outlined. Does such a package deal exist and is this accusation realistic; how do you see this?

[Antall] First of all, I have to say that it is our determined intention, and we cannot change this, that the country's real situation and the country's economic situation cannot become a part of the election battle. In this sense: that we cannot take irresponsible measures, not even if

this [the present crisis] puts into a seriously disadvantaged situation the government and first and foremost the Hungarian Democratic Forum [MDF], which constitutes the main force of the administration. The government cannot take measures or steps—precisely because it is aware of its national responsibility, as a consequence of our international commitments and in the interest of our own credibility—which would mean a level of spending, an economic policy, that would be advantageous temporarily, up to the time of the elections, and afterwards the country would collapse. what I can say is that, even if the stakes are the losing of the elections, or doing badly in the elections, we still have to undertake that which we responsibly consider to be necessary in the interest of the country.

In the interest of this, we must submit a budget and we must pursue an economic political strategy such as will serve the country's interests in the long term. The discussions with the IMF also extend to this. In principle this is how a preliminary agreement with the IMF came into being, which can be followed, after appropriate discussions, with the final agreement, which is important because Hungary's creditworthiness is provided by the agreement with the IMF, including the latest credit possibilities and the guaranteeing of the country's stability.

This goes to say that the budget deficit cannot exceed a certain amount, not only because it is a part of the agreement with the IMF, but simply also in the interest of maintaining the country's financial balance. The finance minister will obviously also speak about this in detail and we shall take the measures connected with this. At all events I have to stress that the main strategic objective in this phase is the start of economic growth. We have to pursue an economic policy that in future will make economic growth a first priority objective. [passage omitted]

[Antall] When we talk about the growth of the Hungarian economy then it must also be mentioned that we have to maintain the external and internal financial balance. If we speed up privatization, that is also important, not just from the point of view of the structure transformation but from other viewpoints as well. In other words also because of the possibility of new capital investments and because of enterprise. Here I can mention straight away that the domestic share in privatization is growing. In 1991 it made up 20 percent and today it is 55 percent. So, it is not true that the country is being sold off and that the Hungarian entrepreneur does not have possibilities.

The further reduction of inflation was an objective in just the same way in economic political strategy. We know that in the past year a 10 percent reduction was possible. At the same time for the current year we wished at all events to push inflation down to below 20 percent. Well, we hope that this planned inflation figure can be kept at 19 percent. [passage omitted]

[Szabo] By all means just because of social problems, I think that a significant proportion of the Hungarian society is living through the entire economic transformation in a dispirited and disillusioned way. Do you not see a danger of this dispiritedness motivating a proportion of the society maybe even against the change of regime? And maybe this can have consequences in the near future, in the results of the next elections. Can you see a real danger in it?

[Antall] Yes, I can. Of course, this danger exists because after very grave economic and social problems people felt during the past decades that they could lead a bit easier lives and they felt that they could set goals for themselves, very limited goals, but they could set purchasing a car as a goal for a certain period, a trip abroad every three years and other things. Thus they had a certain sense of security, a sense of security kept at a very low level, but compared to the previous [circumstances] it meant progress by all means. The problem was that this awareness of security was built on false grounds. [passage omitted]

[Szabo] [passage omitted] Maybe it would be important even now, a year before the elections if the prime minister spoke about how he sees the biggest government party's [Hungarian Democratic Party, led by Antall] chances at the elections.

[Antall] [passage omitted] Under the earlier outlined circumstances we cannot pursue some kind of elections propaganda politics. We cannot adjust our difficult and bitter economic policy decisions to an elections because if we did, it would mean to allow the country to go to waste and we do not wish to assist with it and myself the least of all. Thus this country has to be governed according to my and the government's best convictions until the day of the elections. What the Hungarian people, the Hungarian society has to know is that we are leading them in this direction with firm hand and firm and good intention as well as with responsibility. I stress responsibility once again: we wish to make use of the responsibility we were invested with. Speaking of election chances, I can say that I hope that the elections will be completed indeed in a year's time, in the normal parliamentary period. But this [year] will mean a difficult year for the government and for the national assembly as well. It has to govern the country with very great responsibility. Legislation and government cannot be allowed to be subordinated to the election campaign. If it happens this way than I believe that the MDF, since the question referred to it, can achieve good results. However, as I have already said innumerable times, the MDF can break itself up first and foremost from the inside. If the MDF does not clarify its circumstances if it does not clarify and sort out its ranks then it is obvious that it will not have good chances. I am convinced that the MDF has to settle its inner unity once for all within a short time. [passage omitted] The scope of responsibility also includes making decisions and sorting out the ranks of the MDF and the coalition partners have to do the same. [passage omitted] Thus I think that this

Christian Democratic-National-Conservative-Liberal trend can expect success at the Hungarian elections too as against the political left wing or representatives of values whose importance I do not dispute at all neither in political life nor in respect to political balance. However, I think that it would be the most advantageous for Hungary to follow this main European trend on the next elections too.

Budget Deficit Reaches 71 Billion Forints

LD1605165893 Budapest Duna TV in Hungarian 1400 GMT 16 May 93

[Text] The central budget deficit was 71 billion forints at the end of April. This is revealed in the detailed report the Finance Ministry has sent to MTI. The deficit arose as the balance of an income of 277.2 billion forints and an expenditure of 348.2 billion forints. The increase of the deficit can be attributed to tax refund claims, but the impact of the lagging behind of privatization incomes is also significant.

*** Hungary Launches New Privatization Program**

93CH0582A Paris LE MONDE in French 19 Apr 93 p 5

[Article by Yves-Michel Riols: "Government Launches Privatization Program To Lay the Foundations for 'People's Capitalism'"]

[Text] *Hungary: A Year Away From Elections*

On Friday, 16 April, in an effort to dissipate the people's skepticism toward the economic transition, the Hungarian Government announced the launching of a so-called "mass privatization" program.

Budapest—Three years after the change in regimes, Hungary has made a shift in its privatization policy. On Friday, 16 April, a year away from the next legislative elections, the Conservative government in Budapest gave the green light to a proposal aimed at "accelerating" and "democratizing" the sale of government-owned enterprises. According to information released following the weekly Cabinet meeting, the program, dubbed "mass privatization," is scheduled to begin at the end of the year or in early 1994, after receiving parliamentary approval.

Even if the government is currently divulging only the main lines of the program, its content has been the subject of heated debate for the past several months. Bitterly opposed to the proposal, former finance minister Mihaly Kupa resigned in February citing irreconcilable differences with his colleague, Tamas Szabo, who is in charge of privatizations and who was recently named head of the 1994 election campaign for the prime minister's party.

The stakes of the new program are political as well as economic. Cognizant of the need to speed up privatizations, the government sought a compromise between the

Czech model of free distribution of government property and privatization based solely on market forces, the pattern followed by Hungary to date. This method has now run out of steam. After three years, only 16 percent of all government assets, worth an estimated 2 trillion forints, have been sold (1 franc is equal to approximately 15 forints; figures from the Agency for Privatization).

The government is therefore forced to hasten the process because the value of unsold businesses is diminishing before its very eyes, while public finances increasingly depend on receipts from privatizations as a result of spectacular growth in the budget deficit. Another reason for haste: The initial interest of foreign investors in Hungary has flagged since the opening of markets in other former socialist countries.

Downward Revision

There is also reason for haste politically speaking. In order to defuse protests from movements on the far right that condemn the "cut-price selling" off of assets, the government wants to bring more Hungarians into privatizations, which are currently largely dominated by foreign capital. A year away from elections, it is also seeking to lay the foundations of a "people's capitalism" so as to try to show that profits from the economic transition are not being snatched up solely by the privileged few. "We must change the image of privatization, which is becoming increasingly negative with the rise in unemployment," emphasizes Gyorgy Lajtai, an official with the Agency for Privatization (AVU).

The program announced Friday is clearly more modest than the initial proposal. It is aimed at stimulating domestic demand by offering advantageous credits to those who buy stock in government-owned companies. Ambitions have been revised downward because "only a limited number of solvent enterprises was found for a

proposal that must present minimum risk if it is to bolster the people's confidence," Lajtai says.

In all, three categories of enterprises were chosen. First, there is the dozen or so largest companies, which must be quoted on the Exchange and which are essentially "safe securities." Among them is the National Telecommunications Company, the Hungar Hotel chain, and the Centrum store chain. Priority is nevertheless reserved for "strategic" investors whose capital (generally foreign) will comprise a majority. The rest (5 to 20 percent of all shares) would then be reserved for smaller investors.

Next come companies already privatized in which the AVU has "residual shares." These could be sold at a discount through the investment fund. Finally, there is the touchier situation of enterprises undergoing reorganization, in which case the current managers will enjoy prime, advantageous options.

"The 'big bang' wager was discarded," Lajtai emphasizes. "Rather than mass privatization, we are relying on mass participation." Actually, the government hopes to attract roughly a million persons by making an interest-free credit of 100,000 forints, repayable over a five-year period, available to the public. Another incentive: Upon taking out the loan, shareholders will be able to receive dividends and enjoy the right to vote even before they have repaid their debt.

Such changes should overcome two more obstacles, starting with the distrust of the people, who for three years have been reluctant to sink their savings into productive investments and have turned to accounts paying higher interest. Second, the political battle promises to be a pitched one. The opposition has so far reserved a mitigated welcome for the proposal, which it labels as "populist economic planning" and generally views as an "election gimmick."

Laczkowski Presents Government Report to Sejm

LD1405104693 Warsaw TVP Television Second
Program Network in Polish 0715 GMT 14 May 93

[Government report presented by Deputy Prime Minister Pawel Laczkowski to the Sejm in Warsaw; no video available—live]

[Text] Mr. Speaker. May it please the House. Presenting the government report, that was announced by the prime minister, I would simultaneously like to reply to the resolutions put forward by the parliamentary clubs of the Movement for the Republic [RdR], the Alliance of the Democratic Left [SLD], the Independent Self-Governing Trade Union [NSZZ] Solidarity, and also the Sejm Health Commission. As we well know, the current social tension and the strikes by employees of the education and health service are not the first to be met by the government of Prime Minister Hanna Suchocka. On every occasion, the conflicts were resolved as a result of talks undertaken by the government, which despite the fact that they were sometimes very difficult and long-lasting, led to stubbornly sought compromises, compromises in favor of the reforms but nonetheless not transgressing the discipline of the budget.

Similarly, this time too, the government has continued to declare its will for accord with the trade unions and is ready for talks making possible the finding of solutions improving the situation of people employed in these so important sectors. Treating social protests manifest in the forms envisaged in our legal order as the inalienable right of employees to express their opposition in relation to a feeling of threat or else inadequacy, the government has hitherto continued and will continue to lead all activities allowing for the implementation of a program of indispensable changes in an atmosphere of social accord, seeking the full clarification of possibilities and the amelioration of the far from beneficial consequences of the reforms being implemented.

No one who is honest can question the fact that the material situation of employees of the health service, education and cultural institutions is bad, and is leading to socially threatening phenomena. The depreciation of such important professions constitutes a threat to our most important mutual interests and it should be opposed with complete firmness.

Simultaneously, no one who is honest and responsible can fail to perceive the necessity for decisive systemic changes allowing for a more rational expenditure of the resources that are, after all, limited. No one can state that evil resides solely in low earnings or faulty remuneration tables. The government, directed by a feeling of responsibility for the entirety of the interests of the country, must think not of the day-to-day liquidation of tensions that might constitute for it a political threat, but is obliged to liquidate the causes of nonbeneficial phenomena and to carry out reforms eliminating for good the many years of neglect.

Bearing such a feeling of responsibility and perceiving the scale of the problems that have grown over the years in the so-called budgetary sphere, the government from the very start commenced work, having as its aim the preparation of repair programs both in the sphere of education, widely conceived, and in the health service. Literally in the course of the first few weeks, the Ministry of National Education prepared a new collective labor agreement for teachers. An interministerial commission for the transformation of higher education and science was appointed, in which sit representatives of all the interested parties, including the trade unions. An improvement program for schools was prepared and adopted, and awaits a substantive discussion among the teaching milieux. This is one of those programs that the government granted priority rank.

The reform of the health service has many years of history behind it in Poland. Over many years, more was said about the need for reform than was concretely prepared. Our government succeeded in breaking through these bad experiences. Seeking the best solutions, we prepared two versions for change that have been subjected to social consultation. The collected remarks and also the further work of government teams allowed us to create a unified program for the introduction of health insurance that will, after adoption by the Council of Ministers in the near future, be presented to public opinion, this time as a government document.

Work on the system of health insurance that completely changes the principles for the financing of the health service in the future was exceptionally difficult and required that different considerations be taken into account, both those that have an effect on social sensitivity that is so very necessary in this case and those that draw upon hard economic realities and individual responsibility. Irrespective of work on systemic changes, a series of solutions putting working conditions in the medical service in order was prepared by the Ministry of Health and Social Welfare. For instance, the broadening of the right to certify temporary unfitness for work to doctors in private practice, the preparation of documents on state guarantees in the sphere of health service benefits, the preparation of a program for reforming industrial health service, as well as the reform of the ambulance service. The government desires to introduce all these changes, often completely revolutionizing the solutions now in force that were adapted to a bureaucratic and centralized state, in an atmosphere of social accord and after gaining the acceptance of the appropriate workers' milieux and their representation.

The program of indispensable reforms rescuing the Polish economy and restoring the opportunities for development is certainly a difficult one, and subjects many people and entire professional groups to drastically burdensome limitations. The government is aware of this and constantly seeks such solutions that, while leading to change, will not exacerbate these difficulties. One of the conditions for a calm and consistent transformation of Poland into a country with a healthy

economy and with efficiently functioning public services is an accord between the government, which is responsible for the implementation of the program of changes, and organizations representing employees. It is indispensable that the trade unions consistently opt for the reforms and accept the fact that any changes in wages, even the most justifiable ones, must remain in accord with the real possibilities of the budget. They must be covered by the state exchequer as we find it. If in putting wage demands it is desired not to perceive such an obvious thing, and the fact that the government can only pay out what it has in the exchequer, then it is necessary to set the question: What is this about? Is it that the point is to gain a momentary political success through increasing nominal wages, or is the point a more difficult but tangible increase in real wages?

The start of today's strike situation in education ought to be seen—insofar as we of course ignore the many years of neglect—in the dragging out of the negotiations around the new collective labor agreement for teachers. This agreement, prepared by the Ministry of National Education in September of last year, introduces many changes putting in order the labor conditions of teachers and making healthy the principles for the calculation of remuneration, inter alia through the limitation of the excessive number of additional payments that are remuneration components and the increase of the proportionate share of basic wages. Negotiations on the agreement commenced on 7 October. And at the resolution of the NSZZ Solidarity they were carried on separately with that union and separately with the Polish Teaching Union [ZNP] and the Solidarity-80 Union. Several dozen meetings took place with negotiation teams, and in March the draft agreement was initiated by representatives of the ZNP and also Solidarity-80. Until today, it has not been possible to attain consensus with NSZZ Solidarity. Solidarity has reservations as to the working hours' regulation that has been presented, as to the opportunities for the increase of basic remuneration relative to results at work, and does not agree with the proposed remuneration table. The law of 5 June 1992 on the change of the law on the Teachers' Charter does not specify a deadline for the signing of a collective labor agreement, but a collective agreement is being signed by the minister of national education and all the national trade unions combining teachers. A lack of agreement on the part of but one of these trade unions is sufficient for the agreement not to be registered. The government side is ready to immediately sit down for further negotiations with NSZZ Solidarity.

Unfortunately, in recent days the situation is changing. The slow decline in the wave of strikes is being accompanied by a violent radicalization of the statements of certain trade union leaders. Threats are being directed not only at the government, but also at parliament and the president. And I must unfortunately clearly state here that the words that were uttered yesterday at the news conference of the Mazowsze Region [of Solidarity] were directed against democracy.

A general strike, the overthrow of the government, the dissolution of parliament do not have as their aim the improvement of the situation either of the teachers or of anyone else. What is more, the proposal to undermine that which we have been striving to build over the last few years is not a proposal for exit from the crisis. It is possible to undertake talks with the trade unions with matters that are as important as the legal status of teachers, working hours, including in this changes in the obligatory teaching hours provision, or, finally, the problem of the wages structure. On this last issue the government sees the indispensability of carrying out fast changes, as the present solutions in practice make it impossible to differentiate good teachers, and earnings remain identical irrespective of the quality of the work carried out and the level of qualifications.

At the Ministry of Health and Social Welfare a negotiating team is prepared and ready at any moment to undertake talks on the draft collective labor agreement. The trade unions and professional self-management organizations of doctors, pharmacists, and also of nurses and midwives have had proposed to them their participation in working teams on working conditions, the rights and obligations of health care establishment employees, wages, and the editing of the entirety of the draft agreement. The issue of the principles of reward for employees of the health care system in the case of the adoption of new forms of financing of the health service will take on particular significance. The model of health care insurance prepared by NSZZ Solidarity—and that is a good example of the reformist activity of the trade unions—may above all be the object of talks and agreements.

The national, all-out strike in education and the health service organized by NSZZ Solidarity commenced on 5 May. Various forms of protest are applied, from an active strike, through rolling strikes to occupation strikes. The Culture Secretariat of Solidarity has employed hanging flags on buildings and handing out leaflets as the form of protest. The strike in education has been superimposed on the timetable of the school-leaving examinations in high schools. According to the Ministry of National Education, school-leaving exams were not held in 10 percent of high schools. In 21 voivodships, examinations commenced in all schools. Of the overall number of 207,000 school-leavers this year, the leaving exam was not taken on 12 May by somewhat over 35,000 of them, that is around 17 percent.

On 12 May, the National Strike Committee of the Health Service, Education, Science and Culture of NSZZ Solidarity addressed the Ministry of National Education and the schools inspectorates with a request for setting the next date for school-leaving examinations as 19-20 May, nonetheless authorizing regional strike committees to negotiate, in case of need, for other dates. In the stance of the National Strike Committee it is proposed to nonetheless hold the school-leaving examinations on the second deadline irrespectively and in every strike situation. According to data released yesterday, the extent of

strikes in education establishments has risen insignificantly, by 0.6 percent, and has taken in 15.8 percent of schools, including an increase in primary schools by just under half of 1 percent, in high schools by 2.1 percent, and in trade schools by 1 percent. School inspectors are in the course of holding talks with the examination commissions so as to establish extra dates for the school-leaving examinations. In most Voivodships, the dates have already been set. The minister of national education held talks with the heads of higher education establishments and gained the extension of the deadline for applications for acceptance.

In the health service, the protest commenced on 5 May with a blockade of the government clinic, and was suspended on 9 May. In successive days various forms of protest were applied, from hanging flags and posters on buildings, through the limitation of examinations and acceptance of patients in hospitals and out-patient departments, to the organization of rallies and protest marches. The strike in the health service has a rolling character. In succeeding days the establishments undertaking various forms of active or passive protest change.

On 12 May there were active strikes in 36 health service establishments across 15 voivodships. The successive round of talks between the government and the trade unions was the meeting held on 10 May. Talks then took place between the government team and the Health Service, Education, Science and Culture National Strike Committee of NSZZ Solidarity, with the participation of Chairman Marian Krzaklewski, as also talks with the ZNP leadership, headed by Chairman Jan Zaciura.

Let the importance that the government attached to the talks being undertaken be witnessed by the fact that the composition of the government team included a deputy premier, four ministers, the ministers of education, labor, finance and health, together with teams of experts. We were prepared for a serious discussion on the subject of repair programs and the indispensable systemic changes that are to bring about the improvement of the financial condition of these important areas. The government side, appearing in this composition, had all the prerogatives for the undertaking of binding obligations and organizational solutions. Unfortunately, the National Strike Committee made the talks dependent upon the prior fulfillment of wage demands and refused participation in a discussion on the subject of the indispensable organizational changes. In these circumstances, which we could not accept for obvious reasons, the talks broke down and the strike was maintained in some schools.

The meeting with the ZNP ended with decisions of which the most important relate to the obligation of the government to the consultation in July of the guidelines for budget policy for the coming year, and also the return to consideration, together with the trade unions, of the matter of the increase of remuneration in education after familiarization with the financial results of the state after

three-quarters of the current year. Simultaneously, representatives of the government obliged themselves to the resource limits and also the documents making possible the payment of the first tranche of this year's increase, envisaged in the Budget Law, being presented to the education sector by 14 May and to higher education by 20th May. These increases, as planned, include the period from 1 April.

Nonetheless, the government still does not see the opportunity for increasing wage increases for the budgetary sphere over and above the sums envisaged for this purpose in the budget. Also at this stage it is not possible to undertake decisions on the acceleration of the payment of the second part of the increase, planned in the law for 1 September of this year, as this in an obvious way gives rise to extra financial burdens for which the government currently does not have the resources. The incomes of the state budget were in the first quarter lower than envisaged by around 3.5 trillion zlotys [Z]. This is also not a difference calculated through the equal division of the annual planned incomes into quarters. This is the sum that was lacking relative to budget incomes for the first quarter, that are by their very nature lower. The implementation of incomes for April ran its course in significantly better fashion. And calculation after four months gives incomes lower than envisaged by around Z500 trillion. It is however difficult to envisage at this stage whether it will be possible to attain the planned incomes in the coming months, and all the more so whether it will be possible to exceed them. We cannot yet envisage the consequences of changes in the taxation system that is arising from the introduction of value added tax, VAT.

Opportunities for the attainment of additional inflows exist, but the government can only allocate that money that it really has, and not that inflow which it only as yet counts upon. The undertaking by the government of decisions on the additional payments of money that is not to be found in the exchequer would be witness to the extreme irresponsibility of the government, whereby for the price of its own security and to keep its sinecures it would risk the security of the state and a financial catastrophe for its poorest citizens. That too is why it is with sadness—for I am conscious of how much this money is required by the employees of education, culture, the health service—but also with a feeling of responsibility from which no danger can divert us, that I must again state from this place that at the moment we do not see the opportunities for the payment of larger sums than those planned.

At the same time I want to firmly stress that the government is aware of threats connected with the preservation of the present state of the budget-financed sector, and keeps its promise made in front of the esteemed chamber by Prime Minister Hanna Suchocka and supported by the finance minister that additional revenue for the budget will be used for the needs of education, health service, and culture. The consideration of these possibilities will take place in accordance with

earlier decisions. It must be clearly said what making a decision on increasing the wage increases for a public sector employees would mean today, now. The amendment of the budget, which is being done now, would have to be based on a choice of one of three ways.

First, an introduction of new taxes or an increase in tax rates. Second, a change of the budget structure, which means that a question has to be answered on whose and what expenditure is going to be decreased in order to obtain money for additional wage increases. Finally, increased wages could be financed by increasing a budget deficit, which means printing additional money and higher inflation, which would strip the whole operation of its economic sense. It is worth remembering that an increase of prices in the first three months of this year is slightly lower than forecast during the preparation of the Budget Law, and some hope may be connected with these phenomena.

The trade unions see possibilities of increasing wages by means obtained by the government as a result of an improved tax collection rate and elimination of negative phenomena in the so-called gray economy. The government is already implementing a program of curing public finances of the state, and an improvement in tax collection can already be seen. One must remember first that these revenues, which are higher in comparison with earlier situations, have to a greater degree been already included in this year's Budget Law, and second, it is known that the biggest debtors of the Treasury, with overdue taxes amounting to billions, are such enterprises as the Polish State Railways, mining, and metallurgy.

If the minister of finance were really to implement this program he would have to start closing these enterprises, with all the consequences of this. And we well know that the trade unions are not inclined, for altogether obvious reasons, to accept such solutions. It is nonetheless true that further limitations of controlled activity in the gray sphere are possible, and also the consistent elimination of crimes relative to the exchequer. The government has an active policy in this respect, and it is possible to have real hopes for additional inflows to the budget and the creation of conditions for the fulfillment of the promises in relation to the budgetary sphere in association with its implementation.

Mr. Speaker, may it please the House. The government sees in the trade unions, in employee self-management and in the remaining workers' organizations, important partners in the process of carrying out the reforms. We do not wish to carry through the changes in Poland in isolation from the opinion of these significant civil structures. It was precisely the government of Hanna Suchocka, directly after its creation, that prepared a package of programs of changes in the most important areas, and subjected these proposals to social evaluation. Let the shaping of the solutions contained in the Pact on the Enterprise and the participation of the trade unions in this matter be the best example of the intentions of the government. The acceptance of the Pact signifies that the

employees and managers of thousands of Polish enterprises will be able to decide themselves the fate of their own work enterprises. We do not withhold from any talks and we accept with satisfaction all these postulates that witness to the proreformatory desires of the trade unions. We harbor the hope that it is precisely with the aid of the trade unions that we will succeed in the near future in completing the preparations for the reform of the health service and in carrying through the indispensable systemic changes in education.

I stress once more, the government was and is ready for all talks, and expresses the deep conviction that only in an atmosphere of dialogue and cooperation can we minimize the bad consequences of the state of our economy and more quickly attain the results that are expected by everyone.

Thank you for your attention.

Sejm Rejects Government Report

LD1505085693 Warsaw Radio Warszawa Network in Polish 0800 GMT 15 May 93

[Excerpts] Some voting has just taken place in the Sejm. Over to our reporter Adam Kalinski:

[Kalinski] Almost all the members of Prime Minister Suchocka's cabinet attended the opening of today's proceedings in order to follow the results of the vote on the report delivered yesterday by Deputy Prime Minister Laczowski. The motion to reject the government report on the situation in the budget-funded sector was voted on this morning as the first point on the agenda. Let me remind you that this motion was submitted during yesterday's debate.

One hundred and sixty-nine deputies voted for its rejection; 151 voted against; and 25 deputies abstained. Consequently, the Sejm has not accepted the government report.

The chamber also decided to proceed with the third reading of the bill amending the law on doctors' chambers. However, there was no vote on the amendments to this document, as they were not prepared correctly. This vote is scheduled for later today.

The third reading of the bill on health care establishments followed. The bill was passed with one amendment. [passage omitted]

Subsequently, there was a vote on the motion submitted by the Sejm Presidium on setting up an extraordinary commission for examining draft laws contained in the State Enterprise Pact. The motion was passed by the chamber. [passage omitted]

Solidarity's Jankowski, KPN Hold Meeting

LD1405184993 Warsaw PAP in English 1820 GMT
14 May 93

[Text] Warsaw, May, 14—Following a closed one-hour Friday meeting of "Solidarity" Mazowsze region leader Maciej Jankowski with the Confederation for Independent Poland (KPN) parliamentary floor group, the group's leader Krzysztof Krol stated that the KPN Sejm grouping had already gathered an adequate number of signatures to forward a no-confidence motion against the Hanna Suchocka government.

Jankowski told a PAP reporter that he wanted to present the position of Mazowsze Region Solidarity towards the "irresponsible and totally inconsistent with the truth and unjustified statements of some deputies on the topic of the present strike situation."

Commenting on the course of the meeting, Krol stated that the KPN and Jankowski share many of the same notions. According to Krol, Jankowski wants a government made up of experts who would begin reforms in the area of the budget. Krol further stated that legislation is necessary that would make the present budget law provisional.

The KPN is also proposing that a very wide coalition be established which would lead the country, in a relatively peaceful manner, to early parliamentary elections.

According to Jankowski pro-societal reforms must be introduced. Jankowski met with the KPN upon the party's invitation.

Also on Friday the Mazowsze Region "Solidarity" press and information bureau forwarded a communique to PAP announcing that the presidium of the regional board asked the Sejm speaker to allow it to present its point of view to the Sejm.

Jankowski later commented that he had not received any answer from the Sejm in connection with the request and added "I did not really expect one."

Suchocka, NSZZ Solidarity Meet

LD1505110793 Warsaw TVP Television First Program
Network in Polish 1000 GMT 15 May 93

[No video available]

[Excerpt] A meeting between Prime Minister Hanna Suchocka and the Presidium of the Independent Self-governing Trade Union [NSZZ] Solidarity floor group started in the Sejm an hour ago. The meeting is being held on camera.

Three hours ago the Sejm deputies rejected the government report on strikes in the health service and education sector. In the report the government reiterated its position that there is no money for pay raises for the budget-funded sector. [passage omitted]

Goryszewski Leaves for Moscow for Trade Talks

LD1605172693 Warsaw PAP in English 1641 GMT
16 May 93

[Text] Warsaw, May 16—Deputy Prime Minister Henryk Goryszewski, who is responsible for economic affairs in the government, on Sunday flew to Moscow to negotiate a Polish-Russian trade treaty. "There are still many divergences between Poland and Russia" Goryszewski said before the departure explaining that transactions between the two countries are cleared in hard currencies and Russia is short of them.

Goryszewski will also discuss the question of mutual debt in Moscow. The Polish side seeks a "zero option" in which the two countries would wipe out all debts. Russia, however, wants to include the cost of withdrawing Russian troops from Poland, the sum amounting to 300 million U.S. dollars.

The deputy premier will also raise the question of COMECON's [Council for Mutual Economic Assistance] property.

The turnover between Poland and Russia totalled 1.9 billion U.S. dollars last year. Poland exported mainly food, imported fuels, and raw materials. Barter deals accounted for 20 per cent of Polish exports and 10 per cent of Russian imports.

Police Cooperation Agreement Signed With Austria

LD1405193893 Warsaw PAP in English 1746 GMT
14 May 93

[Text] Vienna, May 14—Representatives of the Polish and Austrian Interior Ministries and Police Forces signed in Vienna on Friday an agreement on cooperation between the police of the two countries.

The agreement concerns cooperation in combatting international crime and international criminal organisations, Chief Police Inspector Zdzislaw Centkowski told reporters.

Interior Deputy Ministers Jerzy Zimowski and Wlodzimierz Blajerski who along with Centkowski participated in a three-day round of talks discussed with Austrians combatting organised crime, drug, weapon and radioactive materials smuggling and trafficking, theft of cars and objects of art and economic crimes.

Austrians also talked about training Polish, Czech, Slovak, Hungarian and Slovenian policemen at their central European Police Academy. The Polish side also wants Austrian specialists to train Polish policemen in police schools in Lodz and Szczecino.

In June, Polish police will organise an international conference of representatives of criminal police from the former Soviet Union, Romania, Germany, Austria and

the Netherlands. The aim of the conference dedicated to combatting international rings is to set up direct police contacts.

Sejm Reaction to State Enterprise Draft Laws

*AU1405110793 Warsaw PAP in English 2013 GMT
13 May 93*

[Text] Warsaw, May 13—Nearly all day today the Sejm (lower house) heard the first reading of six government draft laws which create the framework of the pact on state enterprises, reached by the government and trade unions after several months of talks earlier this year.

The chamber received the bills favourably, although not without some reservations.

The first three bills, dealing with social problems involved in the privatization of state enterprises, were presented by the minister of labour, Jacek Kuron. He said the proposed laws would increase the social safety of the employees of state enterprises undergoing ownership transformations as well as giving the employees more say in the running of their firms.

The bills concern the protection of worker claims in cases when the employer goes bankrupt, the company fund of social benefits, and the amendments to the labour code in those parts of it dealing with collective labour contracts and labour safety.

The next two bills, dealing with changes to be introduced to the rules of financing state enterprises and with the distribution of profits of the treasury-owned joint stock companies, were presented by the minister of finance, Jerzy Osiatynski. He declared that the bills created conditions for speeding up the privatization processes and for making the employee-owned companies more profitable.

The last bill, which would amend the act on privatization of state enterprises, was presented by the minister for privatization, Janusz Lewandowski. The bill provides for a greater role of employees in the privatization process and gives state enterprises the right to choose the privatization method they prefer. According to the draft, after privatization employees will receive 10 percent of shares in their respective firms free of charge. Also, they will elect their representatives to sit on the supervisory board of the company.

The majority of speakers on behalf of individual Sejm caucuses supported the first three bills but were more critical of the remaining three drafts. "If some of the bills presented here today were already binding, perhaps we would not have the present wave of strikes," said Waldemar Bartosz of Solidarity.

A radically opposing view was offered by Andrzej Hardy of the Polish Liberal Programme (PPL), who said that "the bills safeguard mainly the interests of employees and much less those of employers." Janusz Korwin Mikke of the ultra-liberal Union of Real Politics (UPR)

maintained that the package of 6 bills "is the effect of a conspiracy between the government and trade unions" and "the pact is nothing but classic socialism."

The largest Sejm caucuses, i.e. the Democratic Left Alliance (SLD), Democratic Union (UD), Polish Peasant Party (PSL), Polish Liberal Programme (PPL), Christian National Union (ZChN) and the Solidarity caucus, wanted the drafts to be sent to a specially created extraordinary committee. This would help speed up committee work and pave the way for a prompt second reading by the chamber. By contrast, smaller caucuses were in favour of sending the bills to appropriate standing committees.

The chamber will make the final decision on Friday.

Also on Friday the Sejm will hear a report by Deputy Prime Minister Pawel Laczowski on the current situation in educational and health service institutions, including the recent strikes. The government will also present a report on the implementation of the Sejm resolution on the restructuring of the Walbrzych region.

Broadcasting Council Complains of Lack of Money

*AU1405111193 Warsaw PAP in English 2111 GMT
13 May 93*

[Text] Warsaw, May 13—The chairman and several of the 8 members of the National Council for Radio and TV Broadcasting held their first press conference here today after just ten days of the body's existence.

Chairman Marek Markiewicz complained that the Council had no budget to draw on. In order to handle 1,000 applications for broadcasting licences and frequencies, the Council plans to hire some 85 to 100 staff.

So far the body has issued two decrees, one on the form of applications and procedures of granting licences, the other on rules of advertising on radio and television.

Among those who have approached the Council complaining of biased or unfair reporting are former president and communist party leader Wojciech Jaruzelski, leader of Solidarity Marian Krzaklewski, church hierarchs, and the Democratic Left Alliance (SLD).

Bans Ads From Public TV

*LD1405212293 Warsaw TVP Television Second
Program Network in Polish 1900 GMT 14 May 93*

[Relayed by TV Polonia Network]

[Excerpt] [Announcer] Public television programs may not be interrupted by advertising—this is the decision passed by the National Radio and Television Broadcasting Council [KRRiTV], which has been included in its decree on broadcasting advertisements.

[Correspondent Zofia Kedziora] Advertising is considered as a separate program, and the broadcaster is

responsible for its contents. The broadcasting company can allocate 12 minutes in one hour to advertising. Advertising should be emitted in separate blocks. Information bulletins, religious programs, and children's programs may not be interrupted by advertising if these programs are shorter than half an hour. This applies to all broadcasters. The ban on interrupting other programs concerns only public television. According to KRRiTV, viewers have expected such a decision. They do not want their viewing interrupted. [passage omitted]

Plan To Assassinate Walesa Dismissed as 'Joke'

*LD1405215193 Warsaw PAP in English 2124 GMT
14 May 93*

[Text] Warsaw, May 14—The Gdansk provincial prosecutor's office announced Friday it will not institute

proceedings into alleged plans to assassinate President Lech Walesa. The office explained that reports on such plans, received by the State Protection Office a month ago, resulted from a joke.

The report was made by Marek P. (name withheld), a 35 year old ambulance driver from Gdansk who sought revenge on his mates and wanted to implicate them in a false attack on the president. He telephoned the State Protection Office and declared that a group of his friends offered him 10,000 dollars for a shot at Lech Walesa's Gdansk home. The man later withdrew his statement.

Psychiatric tests revealed he was prone to fantasy. Marek P. will be charged with misleading the law enforcement bodies and could face up to 2 years in prison.

Iliescu Briefs Greek, Turkish Prime Ministers

AU1405114693 Bucharest Radio Romania Network in Romanian 1000 GMT 14 May 93

[Text] Prior to departing for Slovenia and Croatia, President Ion Iliescu held telephone conversations with Greek Prime Minister Konstandinos Mitsotakis and with Prime Minister of Turkey, Suleyman Demirel, within the framework of a constant exchange of opinions in connection with the crisis in former Yugoslavia and ways to solve it by political and peaceful means.

Romania's president briefed the two prime ministers on the purpose and prospects of this visit. This piece of news was confirmed this morning by Presidency spokesman, Ambassador Traian Chebeleu.

Romania's president is accompanied in his visit by state minister and minister of foreign affairs, Teodor Melescanu, as well as by other officials.

Iliescu Interviewed on Bosnian Conflict

AU1605163693 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 16 May 93

["Excerpts" from an interview with Romanian President Ion Iliescu by Matej Surc; place and date not given; Iliescu speaks in Romanian with superimposed translation in Slovene—recorded]

[Text] [Surc] To begin, we asked the Romanian president, Mr. Ion Iliescu, what he expected from the talks with the presidents of the other states of the former Yugoslavia—Izetbegovic [president of the Bosnia-Herzegovina Presidency], [Croatian President] Tudjman, [Serbian President] Milosevic, and [FRY President] Cosic.

[Iliescu] We want to learn, directly from them, about the actual situation on this territory. The presidents of the new countries in the Balkans are the most authoritative to convey the true picture of events.

[Surc] The Romanian leader here reiterated that his country has never had any conflicts with the former federation and wants to maintain good relations with all new states.

[Iliescu] Romania is the only neighbor of the former Yugoslavia that has no territorial, or any other, demands against these countries.

[Surc] When asked about possible ways to resolve the crisis and Romania's role in this, President Iliescu replied that no crisis in history had ever been resolved by military means [as heard] and, thus, political means are the only way to resolve the Balkan problem.

[Iliescu] The ending of the war depends most greatly upon those who had started it. Let it be stated publicly who is the main culprit for the war.

[Surc] You, therefore, fully concur with the assessment of our president [Kucan] that the main culprit for the war in the Balkans is the current Serbian regime in Belgrade?

[Iliescu] We are not the ones to point at the culprit. We are not the judges in the Balkan slaughter. Relations among the republics of the former Yugoslavia are so complicated that we cannot comprehend them easily. Those who caused these clashes should solve the problem. The presidents of Yugoslavia, Croatia, and Serbia are responsible for this.

[Surc] As we know, your country supports the sanctions against Serbia and Montenegro. What interests us is whether Romania can supervise the border efficiently, to prevent violations of the embargo?

[Iliescu] We are trying hard to implement the economic blockade, together with the international observers. We supervise the border as much as we can. We judge that we perform the responsibilities entrusted upon us by the international community.

[Surc] We then asked President Iliescu about other problems, not directly linked to the war in the Balkans. He said that Romania observes the minority rights of the Hungarians and other ethnic communities in Romania consistently and in compliance with European legislation.

Regarding the former Soviet Republic of Moldova, where two thirds of Romanians live, Iliescu said that only the withdrawal of the occupying Russian Army, which has no business in Moldova, could give a chance for the resolution of the crisis.

Ion Iliescu also dismissed the opinions that Romania is not bold enough in shedding Communism. He says that such opinions are subjective assessments published abroad, mostly in the West.

[Iliescu] The Romanian nation is sick and tired of dictates from abroad. First by the Turks and Austro-Hungary, later by the Soviet Union. Romanian policy must no longer be conducted by dictates from abroad.

Daily Claims Liberal Party, PAC To Merger

AU1605173693 Bucharest EVENIMENTUL ZILEI in Romanian 12 May 93 p 12

[Marcela Feraru, Tiberiu Braescu report: "Liberal Party and Civic Alliance Party To Merge Within Liberal Convention"]

[Text] One of the best guarded secrets of Romanian political life has been aired owing to carelessness: The news which comes as a big surprise is that negotiations regarding the unification of two important parties represented in Parliament have entered the final round. The two political parties concerned are the Liberal Party [PL] and the Civic Alliance Party [PAC].

A letter addressed by two PL leaders—Dinu Patriciu and Horia Rusu—to [PAC President] Nicolae Manolescu reveals the fact that the negotiations have actually concluded. "Our last talks outlined the possibility of implementing the [unification] process in several steps" the letter says referring to previous meetings among the mentioned persons.

The schedule of the unification refers to a time span between 15 May and 15 June. The first step is the unification of the two parties' parliamentary factions under the name of the Liberal Parliamentary Grouping and the setting up of a federal-type political structure similar to the model of the UDF [Union for French Democracy] in France, including the gradual integration of the parties' local structures.

The second step comprises a sequence of several events:

1. The two parties are to set up a joint commission to negotiate the details of the unification; the leaders of the parliamentary factions in the Senate and the Chamber of Deputies are to be among the members of that commission.
2. The setting up of a National Coordinating Commission, which is to include the representatives of the two parties' county branches, deputies and senators, mayors and deputy mayors of municipalities, members of the standing county councils, and seven members of the leadership bodies of each of the parties and is to be chaired by a coordinating commission. The national council is to choose one of the names that have suggested so far—the Liberal Alliance, the Liberal Convention, and the Liberal Union—, it will coordinate the various functional departments of the alliance, and will designate a number of leaders. The summoning of the national council is scheduled for 18-19 June.

Joining of Council of Europe Expected This Year

AU1405114493 Bucharest ROMPRES in English 0838
GMT 14 May 93

[Text] Bucharest, ROMPRES 14/5/1993—Mme Catherine Lalumiere, the secretary general of the Council of Europe, appreciated in a statement made to a ROMPRES special envoy to Strasbourg that examination of the Romania file entered an advanced stage, expressing her hope that Romania's adherence in this pan-European body would be expected soon.

Answering a question related to some opinions in the Romanian media of late regarding Romania's entering as full member into the Council of Europe, Mme Lalumiere considered that it was not a question of a slowing-down of the process regarding some countries' adherence to the Council of Europe and she assured of the continuation of the process at a similar path as until present, and explained that the studying of the files was a serious

task which implied a deeper examination to which the Assembly and the Ministerial Committee must give special consideration.

Answering the same question, Miguel Angel Martinez, the president of the Parliamentary Assembly of the Council of Europe, said that the process regarding Romania was not slowing down, but on the contrary it seemed to enter its final stage, expressing his hopes for a favourable report in a near future, which would obviously lead to Romania's adherence in this European body as early as 1993.

Hungary Gives Clearance to Toxic Waste Transport

AU1505130993 Bucharest ROMPRES in English 1734
GMT 14 May 93

[Text] Bucharest ROMPRES, 14/5/1993—Well after 36 hours of waiting at Curtici frontier point with Hungary, the trains carrying toxic wastes loaded in Sibiu and bound for Germany are on the point of proceeding to Germany, where they had come from.

Curtici customs master Vasile Trusca told a ROMPRES correspondent that "although everything seemed fit for transiting, once arrived at Curtici leaks were detected with two of the carriages. The German specialists, who were still at Sibiu, put everything straight, but, for several hours, Hungarian authorities refused the two trains permission to transit, although relevant documents had been approved by the three countries concerned: Hungary, Slovakia and Czechia. Finally, the Hungarian side accepted that the two trains are prepared for start. They are now awaiting the signal which, if the traffic schedule allows, is expected around 8.30-9 p.m. [1730-1800 GMT]

Radical Transnational Party Holds Conference

AU1505175993 Bucharest ROMPRES in English 1549
GMT 15 May 93

[Text] Bucharest ROMPRES, 15/5/1993—The Romanian members of the Radical Transnational Party (RTP) held the proceedings of their second general assembly on Saturday, 15 May, in Bucharest. An RTP delegation headed by Sergio Stanzani, first secretary, attended.

The delegation presented the assembly the actions the RTP pursues to accomplish with the help of all its European members.

At the ensuing press conference, Stanzani said the delegation he was heading was touring several central and east-European countries where the party has membership in order to prepare the RTP parliamentary assembly, scheduled to convene next June in Sofia, Bulgaria. He said RTP was nearing the end of a phase of transition towards a transnational party placed beyond and above frontiers, parties, and national states, a party that, advocating non-violence and tolerance, promotes a new political force capable to achieve the United States of Europe.

Karadzic Predicts 90 Percent No Vote in Referendum

LD1705103393 Belgrade TANJUG in English 1002 GMT 17 May 93

[Text] Tokyo, May 17 (TANJUG)—Bosnian Serb leader Radovan Karadzic expects that at least 90 percent of the voters who participated in the May 15-16 referendum have said "no" to the Vance-Owen peace plan for Bosnia-Herzegovina.

Karadzic said in a statement to the Tokyo daily YOMIURI SHIMBUN that the "plan divides Serbs into islets in the Bosnian sea which nobody could protect." The implementation of the plan would mean biological death of the Serb nation, he said.

It is estimated that around 80 percent of voters have cast ballots in the referendum held in the Serb republic in Bosnia-Herzegovina during the weekend. The first official results are expected on Tuesday afternoon [18 May].

The Serb republic was proclaimed in the Serb-controlled parts of Bosnia-Herzegovina in 1992.

Karadzic described his signature on the Vance-Owen plan, in Athens on May 2, as a personal defeat, which he said had taken place under international pressure and the threat of military intervention.

Karadzic said chances of military intervention were steadily diminishing because of opposition from Europe.

"If there is an intervention, we shall fight to the last man, which is in the nature of the Serb people," Karadzic told the Japanese daily.

The peace plan proposed by international mediators Cyrus Vance and Lord Owen provides no direct land link between the provinces populated by Serbs, and leaves around 600,000 Bosnian Serbs to live in provinces mostly populated by Moslems or Croats.

Partial Results Reported

LD1705124693

[Editorial Report] Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian at 1000 GMT on 17 May broadcast reports by various correspondents giving the final results of the Bosnian Serb referendum for several municipalities in Bosnia.

In a telephone report from "Serb Sarajevo," a correspondent says: "We now have the final results of the referendum for two municipalities of Serbian Sarajevo: Rajlovac and Ilidza. In Rajlovac, 3,484—95.69 percent—of those on the register of voters turned out to vote. Of these, 21 persons, 0.06 percent, voted for the Vance-Owen plan, and 3,290, 98.68 percent, voted against. In Rajlovac, 3,285 citizens, 98.53 percent, voted for an independent Serb republic with a right to join other nations and states on an equal footing, and 19 persons, 0.056 percent, voted against."

The correspondent added: "As regards Ilidza, we have the following details: There were 24,911 voters, and 22,736 of these, 91.27 percent, turned out to vote. Of these, 379, 1.62 percent, voted for the Vance-Owen plan, and 23,221 persons, 97.73 percent, voted against; 436 ballot papers, 0.6 percent, were invalid. On the proposal for an independent Serb republic, 22,351, 98.31 percent, voted in favor, and 288 persons, 1.27 percent, voted against; there were 97 invalid ballot papers, 0.42 percent."

Another correspondent reported from Vogosca [near Sarajevo]: "In Vogosce, 91.6 percent of the citizens turned out to vote. According to an official report of the municipal referendum commission, 98.1 percent of them voted against the Vance-Owen plan; only 1.27 percent of voters supported it, either from fear or out of personal conviction. On the proposal for an independent Serb republic with the right to join other nations and states, 98.7 percent of citizens voted in favor, and only 1.3 percent voted against."

In a report from Ilijas [near Sarajevo] a correspondent says: "According to official results we have received from the municipal referendum commission, 92.68 percent of the people of Ilijas turned out to vote in the referendum; 98.44 percent of them voted against the Vance-Owen plan, and 98.72 percent of them voted for an independent Serb Republic."

A correspondent reported from Zvornik [in eastern Bosnia]: "The Zvornik municipal referendum commission finalized the processing of ballot papers from all 49 polling stations at 1000 today. The final results of voting in Zvornik Municipality are: Of the 29,409 registered voters, 27,652 turned out for the referendum, 94.02 percent. Of these, 27,313 voted against the Vance-Owen plan, 210 voted in favor, and 129 ballot papers were invalid. On the second question—an independent Serb Republic with the right to join other nations and states—27,318 citizens of Zvornik voted in favor, 247 voted against, and 87 ballot papers were invalid."

In a report from Brcko [northeastern Bosnia] a correspondent said: "In the referendum, 18,033 voters of Brcko turned out to vote, 90 percent of the overall number of voters. Of these, 95 percent voted against the Vance-Owen plan, and 97 percent voted for an independent Serb Republic."

A correspondent reported from Sokolac: "According to unofficial results, around 98 percent of the overall number of voters turned out for the referendum at 29 polling stations. Unofficial results show that 92 voters are in favor of the Vance-Owen plan and against the creation of an independent Serb republic. However, the vast majority of voters rejected the Vance-Owen plan and circled the yes on the blue ballot paper to signify their support for the creation of an independent Serb republic."

Karadzic Says Vance-Owen Plan 'Dead'

AU1705091093 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 17 May 93

[Text] Bosnian Serbs Leader Radovan Karadzic said that the international peace plan for Bosnia is dead and that the world is wasting its time by insisting on Bosnia-Herzegovina as a united state.

Karadzic, who was speaking after the end of the referendum, pointed out that Vance-Owen plan cannot be realized because it is far from reality. He called for a new peace plan and suggested Soviet President Mikhail Gorbachev and Former U.S. State Secretary Henry Kissinger join the peace process as they could offer new proposals on the basis of their view of the situation.

Serbs, Croats Sign Cease-Fire Agreement

LD1605184593 Belgrade TANJUG in English 1811 GMT 16 May 93

["Pool" item]

[Text] Belgrade, May 16 (TANJUG)—At Sarajevo Airport on Sunday [16 May], Bosnian Serb and Croat commanders—Generals Ratko Mladic and Milivoj Petkovic—signed a cease-fire agreement covering all of the former Yugoslav Republic of Bosnia-Herzegovina.

The cease-fire comes into force at noon local time on Tuesday, May 18, British News Agency REUTERS said.

The meeting between Generals Mladic and Petkovic was attended by UNPROFOR [UN Protection Force] Commander in Bosnia-Herzegovina Gen. Philippe Morillon.

A cease-fire between the Bosnian Serbs and Muslims came into effect in early May and is mostly observed.

The Bosnian Croat and Muslims, however, continue fighting in northern Herzegovina and central Bosnia despite the two cease-fire agreements these erstwhile allies against the Serbs signed this weekend [remainder of item indistinct]

Prisoners To Be Exchanged

LD1605203793 Belgrade TANJUG in English 2011 GMT 16 May 93

["Pool" item]

[Text] Belgrade, May 16 (TANJUG)—The cease-fire agreement between Bosnian Serbs and Croats, which comes into force on Tuesday [18 May], envisages that the two sides exchange all prisoners by June 1 and bodies of killed troops by July 1 the Bosnia-Herzegovina Serb News Agency SRNA said on Sunday.

The agreement was on Sunday signed at Sarajevo airport by Bosnian Serb and Croat Commanders Generals Ratko Mladic and Milivoj Petkovic in the presence of UNPROFOR Commander in the former Yugoslav

Republic of Bosnia-Herzegovina Gen. Philippe Morillon. The cease-fire comes into effect at noon local time on Tuesday in all of Bosnia-Herzegovina.

The cease-fire agreement also envisages the free circulation of civilians between the Serb Republic in Bosnia-Herzegovina and the Bosnian Croat state Herzeg-Bosna.

The Bosnian Serbs and Moslems signed a cease-fire agreement in early May. The truce is mostly observed.

Bosnian Serb leader Radovan Karadzic and Gen. Morillon are expected to meet at Pale, the Bosnian Serb center, on Tuesday.

Fighting in Mostar Reported Continuing

LD1605181793 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 16 May 93

[Report from Mostar by Slavko Rako]

[Excerpts] The fighting in Mostar is continuing unabated. Explosions and infantry arms fire are resounding throughout the town. Five Croatian Defense Council [HVO] soldiers have been killed and 16 soldiers and two civilians have been wounded in the fighting today. [passage omitted]

About 700 civilians, mainly Croats, who were held captive by members of Muslim forces in parts of the town on the right bank of the Neretva, where the fiercest fighting is taking place, are in a particularly difficult position. As announced by the HVO's defense department, the HVO's main headquarters has reliable information that the prisoners have been held in unbearable conditions for seven days without food, water, and any medical assistance. A few have already died. Arif Pasalic, commander of the Muslim forces in Herzegovina, refused to discuss the release of these people.

HVO members today released two busloads of civilians, who had been evacuated to the heliport, and allowed them to return to their homes on the right bank of the Neretva. [passage omitted]

Sarajevo Radio: Situation 'Critical'

LD1605181093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 16 May 93

[Excerpts] Minutes before our news bulletin, we received the latest report from Mostar, where the situation is extremely serious:

[Reporter] Today, the eighth day of the battle for Mostar, the town is literally burning. Mostar is enveloped in smoke and fire. Many buildings, dwellings, and business facilities are on fire. Since 1100 the aggressor has been waging an all-out attack on the town. More than 2,000 grenades from tanks, howitzers, and multiple rocket launchers were fired on our defense positions in the period of only seven hours. While I am sending this

dispatch, the town is reverberating with grenade explosions and firing from three types of weapons.

A fierce attack on all defense lines held by the Golden Lilies [Bosnia-Herzegovina Army]—heroes, defenders of freedom-loving Mostar—is under way. Hand to hand street fighting is in progress. It appears that Croatia also has its weekend troops, since it is Sunday today. [passage omitted]

The firing today on parts of Mostar, units of the Bosnia-Herzegovina Army, and the Mostar Ministry of Internal Affairs is the most intense since the war broke out 13 months ago.

Mostar is literally burning and horrific destruction has been caused. Genocide against the Muslim population is continuing. Arrest, rape, eviction, plunder—they are still taking place. [passage omitted]

The 4th Corps Command calls on all patriots of the Republic of Bosnia-Herzegovina, all honest people in Herzegovina, to join units of the 4th Corps of the Bosnia-Herzegovina Army in order to defend the town from resurrected fascism and greater Croatian territorial occupation.

Zagreb Radio on Fighting

LD1605170393 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 16 May 93

[Report from Mostar by Slavko Rako]

[Excerpts] Clouds of smoke and dust are enveloping Mostar, the city is being rocked by heavy explosions, and loud infantry arms fire can be heard. Fierce artillery duels and infantry clashes are under way between Croatian Defense Council [HVO] units and Muslim forces. [passage omitted]

The situation is critical in the Konjic municipality area. The UN Protection Force [UNPROFOR] is only a passive observer of attacks on Croat-inhabited villages. According to information from the main headquarters of the HVO armed forces, the Croat population in that area fears that it will share the same fate as the Croats from the village of Radesine, where UNPROFOR members guaranteed safety to Croat civilians only to turn them over to the Muslims later on.

According to the latest information released by the main headquarters of the HVO, members of Muslim forces set an ultimatum for the remaining defenders and civilians of the village of Vrci to surrender by 1900 or be wiped out.

UNPROFOR units have again reached Ostrozac, but were denied passage at the Muslim checkpoint. UNPROFOR officers who arrived, as they said, with permission from [Bosnian Army Chief of Staff] Sefer Halilovic to pass, were told that no orders had been received from Sefer Halilovic to this effect.

Sarajevo Radio on Mostar

LD1605144693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 16 May 93

[Text] And now our latest report from Mostar: Today, the eighth day of aggression by the Croatian Army and the Croatian Defense Council [HVO] against Mostar and the Republic of Bosnia-Herzegovina was marked by fresh attacks on positions of the Bosnian Army. [Words indistinct] Mostar is in flames again. The Croatian Army and the HVO, from their positions [words indistinct] tanks and artillery, are today also using incendiary mortar shells, setting ablaze one building at a time along the front line.

From their positions in western parts of Mostar [words indistinct] the HVO and the Croatian Army are exposing (?many) parts of the town to perpetual barrage by gun, mortar and sniper fire. At about 1100 today the Croatian Army and the HVO [words indistinct] tanks and howitzers. All this is causing fresh destruction and loss of life. Today's heaviest artillery attack—the worst in the past eight days—started at 1100. The attack is still under way at the time of this report. [Passage indistinct]

Government Issues Ultimatum to Croatia

AU1505152993 Paris AFP in English 1520 GMT 15 May 93

[Text] Zagreb, May 15 (AFP)—The Moslem-led Bosnian Government Saturday [15 May] issued an ultimatum to Croatia, warning it to stop attacking Bosnia "immediately" or face a plea for action by the international community, an official communique said.

The Sarajevo government warned Croatia to withdraw its troops from the country or it would be forced to call in outside help to "defend the sovereignty and integrity of Bosnia," said the communique issued by the Bosnia-Herzegovina embassy here.

The move followed heavy fighting between Croats and Bosnian Moslems in the southern Bosnian town of Mostar.

The ultimatum, which also stressed Bosnia's continued "willingness" to pursue "multilateral" relations with Croatia, bore the signature of Deputy Prime Minister Hadzo Efendic.

Bosnian Croat Leader Replies to UN Refugee Letter

LD1405230493 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 14 May 93

[Text] President of the Croatian community of Herzeg-Bosna Mate Boban has sent a letter to UN High Commissioner for Refugees Sadako Ogata replying to her letter in connection with the concern over the escalation of conflicts in central Bosnia and a part of Herzegovina, particularly the eviction of people and the suffering of civilians in these areas.

Boban stresses that unfortunately an assessment that only the Croats are to blame for such situation cannot be

considered completely objective and unbiased. He recalls the fact that since 16 April, 270 Croatian civilians have been killed and 356 others have been wounded in the Muslim aggression on the territory of Vitez, Busovaca, and Kiseljak alone. In the town of Zenica 67 Croatian houses have been burned down and more than 5,000 Croats have been evicted.

Hundreds of Croatian civilians have been killed in a month-old Muslim aggression. More than 1,000 Croats have been wounded, more than 10,000 have been arrested, while more than 50,000 civilians have been evicted. If we add to all this that 18 Croatian villages are under complete Muslim siege and if we mention the already well-known dramatic situation around Konjic, the problem appears to be more complex, Boban stressed saying that reasons for concern are more than one-dimensional and do not deserve a one-sided approach about which Sadako Ogata wrote.

HVO Reports Muslims Blocking Roads in Gornji Vakuf

LD1605123393 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 16 May 93

[Excerpt] The General Staff of the Croatian Defense Council [HVO] reports that the situation is deteriorating in the Gornji Vakuf area. Muslim forces are blocking all roads and they are present in force around Gradina, Duratbegov Dolac and Bistricka Rika. Muslim forces are sporadically opening fire on Gornji Vakuf using, among other weapons, hand-held launchers and 60-mm mortars, and targeting Croatian villages and the Croatian part of the town. [passage omitted]

Croats Accuse Muslims of not Releasing Prisoners

LD1505212893 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 15 May 93

[Text] The Muslim side has not yet released a single person from a list of about 700 Croats held captive by Muslims in makeshift prisons in parts of Mostar on the right bank of the Neretva, run by the Bosnia-Herzegovina army, an official spokesman of the military police of the Croatian Defense Council [HVO] in Mostar has announced. The HVO does not have information on the exact number of imprisoned Croats, but according to reliable reports, there are many seriously ill people among them.

At the same time, the official spokesman of the HVO's Mostar military police denied that the HVO's military police in Mostar and in other areas in western Herzegovina is allegedly holding prisoner about 10,000 Muslims, and said that such lies by Sarajevo radio contribute to the media war.

He also said that by 1800 more than 600 persons had been released of 1,300 people who, for security reasons, were accommodated in the former military school in the southern suburbs [of Mostar] at the beginning of the latest armed clashes in the town. The HVO spokesman also said that

reports by Sarajevo radio that these people were maltreated are completely unfounded. That was also denied by citizens who returned to their homes in statements they made for local and foreign television crews.

Muslim Forces Enter Village Near Konjic

LD1505182893 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 15 May 93

[Excerpts] It is relatively quiet in Mostar with sporadic small arms fire and several explosions. While negotiations went on for days with UNPROFOR [United Nations Protection Force] to protect the Croatian population in besieged villages in the Konjic municipality, Muslim forces did not stop their attacks. According to reports from the main HQ of the Croatian Defense Council [HVO] this afternoon Muslim soldiers entered the Croatian village of Vrci [northwest of Konjic, on the northern bank of the Jablanica Lake], in which several dozen HVO soldiers had offered resistance for more than 30 days. Their fate, as well as the fate of several hundred civilians, is uncertain. [passage omitted]

The International Red Cross and UNPROFOR have been asked to use their authority to protect the detained civilians and soldiers in accordance with international law. The HVO defense department today announced that an HVO soldier—wounded by sniper fire while UNPROFOR was entering Mostar—has died. A statement notes that the soldier was on a bridge in Rodoc [southern Mostar suburbs]. When he got out of the way [probably of UNPROFOR vehicles], he was wounded by a sniper, and members of the Spanish Battalion went on by without as much as glancing at him.

Croats Reportedly Launch Offensive North of Mostar

LD1505185093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 15 May 93

[Text] We have just received a statement issued by the Bosnia-Herzegovina army press center.

Croatian Defense Council [HVO] units launched a fierce attack on Konjic early this morning causing considerable damage to residential and commercial buildings. HVO units carried out a helicopter assault in the Neretvica area. Five helicopters landed in the area of the villages of Here and Scipe. Fresh HVO troops are arriving from the direction of Prozor.

During the afternoon, the HVO also targeted the Jablanica hydroelectric power plant hitting it with 10 rockets. Fighting is still in progress in the areas mentioned above.

Our forces are successfully repelling the attacks, the Bosnia-Herzegovina army press center stated.

Serb Attacks on Brcko Reportedly Continue*LD1505094293 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 0800 GMT 15 May 93*

[Report by correspondents Hamid Deronjic and Mihad Salihovic from the "free Brcko territory"]

[Text] The borders of the northern corridor are on fire. There is a new hell on the Brcko battlefield. For only six hours, when international observers were here, did about 50,000 citizens of the free Brcko territory have any respite.

In the early evening hours, Serb barbarians launched a fierce mortar attack on the Brod district of Brcko. The aggressor fired mortar shells against one of the few undestroyed mosques in Brod throughout the night.

Serb fascists launched a fierce and ferocious artillery attack on the entire Brcko defense lines, on the Bosnia-Herzegovina defense lines at 2215 yesterday. Prior to this, chetniks had been regrouping their battle forces for a full six hours and then they unleashed a fierce attack on the borders of the corridor.

This morning on the free Brcko territory, Serb-chetniks are voting for a greater Serbia by firing shells from multiple-rocket launchers, howitzers, mortars and 32 tanks on the narrowest section of the northern corridor.

Heroes of the 108th Motorized Brcko Brigade, heroes of the [word indistinct] of the 2d Corps of the Bosnia-Herzegovina Army are defending our homeland, our country, our Bosnia-Herzegovina on the Brcko battlefield, on the borders of the Brcko northern corridor.

It is a hell here, but Bosnians, all those who understand that Bosnia-Herzegovina is being defended here in Brcko, are here too. (kendall) 150800

Sarajevo Radio Updates Fighting in Northern Bosnia
AU1705100793

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 17 May carries in its regular 13-minute newscast several reports on the fighting in the republic.

Reporting from Maglaj Press Center, Hajrudin Sermic says that "vicious destruction of civilian buildings, the city, suburbs, and targets along the Bosna River lasted all day yesterday and continued into the late hours of the night. Projectiles of destructive calibers, hundreds of them from tanks, howitzers, [word indistinct] from all directions, even from [word indistinct] 200-mm caliber landed on the city. The ground trembled, houses burned. Two civilians were killed, three were seriously injured. The attacks took place on the defense lines, in the regions of (?Jovici) and (?Usjak)." The aggressor used "all the weapons at its disposal, but our defenders have once again shown awesome valor which will be recorded in the history of Bosnia-Herzegovina. During the attack they totally smashed the chetnik's ranks and moved the defense lines. During their

retreat the criminals burned the houses of expelled Muslims and loyal Serbs. Our fighters destroyed a (?T-72) tank on (?Trilj), but the chetniks are receiving fresh manpower, which indicates that today is also going to be a hard day for the inhabitants of Maglaj."

Reporting from Brcko, Hamiz Deronjic says that "the Serbo-chetnik offensive on the key point of the northern corridor is continuing with unabated force. In the course of the night, the enemy, having strong artillery support, attempted a breakthrough with tanks and strong infantry forces onto the free territory of Brcko via the central part of the battlefield. The fighters of the 100th Brcko Brigade and the members of the joint units of the 2d Corps of the Bosnia-Herzegovina Army have managed to repel the attacks and cause the enemy heavy losses in manpower. Over 60 chetniks were killed. In the course of every chetnik retreat to their original positions, during their regrouping and fresh charge at the Brcko defense, the aggressor used tanks, howitzers, multiple rocket launchers, guns, and mortars to [word indistinct] shell the entire length of the defense line. Trying to better its chances on the front, the aggressor used long range artillery and tanks to pound deep into the free territory of Brcko, targeting apartment houses, [word indistinct] complexes, and key communication points." Although "there have been no casualties overnight, the material damage is enormous. It is obvious that the offensive on the Brcko territory is adapted to the current, so-called cease-fire, so that the aggressor is trying to conquer new parts of the free territory of Brcko with relatively short, but violent attacks." Deronjic says that "with their courageous fighting, the fighters are not allowing the chetniks even minimal success on the battlefield."

The 2d Corps Third Operative Group Information Service says that "yesterday and overnight the Kladanj battlefield, in the Senkovac municipality, was plagued by constant chetnik provocations from their strongholds in Jelacici, Podbrdje, [word indistinct]. Apart from anti-aircraft guns, machine guns, and 'sowers of death,' the aggressor is also using fragmentation ammunition and mortars. He says that "around 1100, the chetniks from Jelacici fired several projectiles, 82-mm mortars on our central defense lines, while the chetniks from [word indistinct] fired two projectiles on (?Pribor) from the same weapon." The reporter says that in the afternoon "anti-aircraft machine guns were used to shell the Kladanj-Tuzla road, in the region of (?Hrasnik), with the objective of killing people, destroying vehicles, and blocking traffic. There were no casualties. Last night there were provocations from anti-aircraft and infantry weapons, which is continuing this morning. Our forces are respecting the signed cease-fire, and are not returning fire."

From Olovo Velid Djindjo reports that "during the night, sporadic mortar shells landed on the Olovo front, which were accompanied by sporadic fire from machine guns and guns. The first hours of the morning are quiet."

The studio announcer reads a report from Salih Djonic on the situation on the Zavidovic battlefield. She says that

"although the chetniks made provocations using anti-aircraft machine guns and guns, infantry arms on Hajdarovici, (?Prasovina), (?Smailbasici), and Moko, the last 24 hours have been quieter than in recent days. During the night the aggressor fired several mortar shells on Smailbasici and also used infantry weapons. There is evidence that a regrouping, which includes tanks, is in progress."

The studio announcer says that "in Sarajevo, the morning is quiet. The municipality of Stari Grad has been fired at from (?Stitasta) Stijena with a 'sower of death'. This morning there is no electricity in Sarajevo. The Electric Board has told us that they do not know the reasons for this power cut, nor when the power will be back."

Serb, Muslim Cease-Fire Holding Except in Northern Bosnia

LD1605183293 Belgrade TANJUG in English 1736
GMT 16 May 93

["Pool" item]

[Text] Belgrade, May 16 (TANJUG)—No major violations of a week-old truce signed between Bosnian Serbs and Moslems were reported on Sunday [16 May].

TANJUG's correspondent in Banja Luka quoted the Bosnian Serb Army as saying that the truce mostly held in western and northern Bosnia, except in the areas of Mt. Ozren and Doboj, where Moslem troops had opened fire on Serb villages near that northern Bosnian town.

The Bosnian Serb Army Command in Banja Luka also reported shelling of Serb villages south of Maglaj in the Bosna river valley.

The Moslems activated howitzers from the direction of Zavidovici and attempted an infantry penetration of the Serb positions on the Maglaj section of the front, the command said and added that the attacks had been repelled. In the area of Teslic, Moslem offensive actions were reported around Mt. Vucja in the Bosna river valley.

The Bosnian Serb army said that the cease-fire agreement had been respected on the Orasje-Samac and Gradacac-Brcko fronts in north eastern Bosnia.

No major incidents were reported in eastern Herzegovina on Saturday night and Sunday morning, the local Serb command in Bileca said. A Moslem infantry attack backed by artillery from the direction of Konjic was repelled on Saturday evening, the command added.

A memorial service for all Serbs who perished in the Bosnian war was held in the north eastern Bosnian town of Bijeljina on Sunday. The service officiated by 15 Serbian Orthodox Church bishops in Bijeljina's central square was attended by several thousand people.

Serbs Reported Bringing Fresh Forces to Bihac AU1705115393

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 17 May carries in its regular 12-minute newscast an update on the fighting in the republic.

The Bosnia-Herzegovina Army 2d Corps Seven-South Operative Group Information Center reports that "on the Tesanj, Doboj, and Teslic part of the front, the aggressor is bringing in fresh forces and is attacking all the defense lines, but he has not managed to move our lines." He adds that "frustrated at not being able to break through our lines, the enemy is intensely using mortars, howitzers, and tanks. It is destroying the outskirts of the free territory by using anti-aircraft machine guns and guns, and is preparing an artillery attack, but so far, this has remained only an unsuccessful attempt." The reporter goes on to say that "last night, in the region of Potocani, a convoy of 20 heavy trucks was sighted. The trucks were carrying aid from Serbia for the continuation of the offensive."

Reporting Chetnik shelling of the Gorazde defense lines, the studio announcer says that "the situation is gravest in the local communities of Ilovaca and (?Nedezde). The members of the Bosnia-Herzegovina Army are holding their own. For months now, humanitarian aid convoys have not been coming into Gorazde, so the situation is very grave. The population is starving to death."

Mehmedalija Zulic reports from Bihac and says that "from the chetnik stronghold on (?Bratica) Brdo, artillery fire was opened on Bosanska Krupa, while shells also landed on the Bihac suburb of (?Sekrlje). Infantry clashes have been reported from the [words indistinct] plateau, while less intense conflicts have been reported from the Buzin front. Chetnik snipers have also been active." He adds that the "aggressor also made provocations in the area of Velika Kladusa, where the chetniks from the so-called SAO [Serbian Autonomous Region] Krajina, which still does not have a border with Bosnia-Herzegovina, are bringing in manpower and equipment in full view of the UN Protection Forces. All this speaks plainly of the aggressor's intentions."

The studio announcer cites Croatian radio as saying that the morning has been quiet in Mostar.

Serbs, UNPROFOR Talks Open at Sarajevo Airport LD1605141593 Belgrade TANJUG in English 1342 GMT 16 May 93

["Pool" item]

[Text] Belgrade, May 16 (TANJUG)—Talks between delegations of the army of the Serb republic and the United Nations Protection Force (UNPROFOR) for former Yugoslavia are currently under way at Sarajevo Airport in the war-battered former Yugoslav Republic of Bosnia-Herzegovina.

The military delegation of the Serb republic (a state proclaimed by Serbs in Bosnia-Herzegovina) is headed by Bosnian Serb army commander General Ratko Mladic while UNPROFOR's delegation is led by its commander General Lars-Eric Wahlgren, reported the Bosnian Serb news agency SRNA.

After the meeting, General Mladic is expected to meet with Commander of the Bosnian Croat forces General Milivoj Petkovic to sign a ceasefire agreement between the Bosnian Serb and Croat armies, said SRNA.

A ceasefire between Serbs and Moslems has been in force since last May.

Over the past few months, Croats and Moslems, nominal allies in the one-year ethnic war in Bosnia, have been engaged in heavy fighting over territories with mixed population in central and southeastern parts of Bosnia-Herzegovina.

Mladic, Morillon Comment on Sarajevo Talks

LD1705090293 Belgrade TANJUG in English 0752 GMT 17 May 93

["Pool" item]

[Text] Belgrade, May 17 (TANJUG)—The further demilitarization of the areas of Srebrenica and Zepa in eastern Bosnia-Herzegovina, which have been proclaimed 'safe areas' by the United Nations, was the central topic of the talks held by a delegation of the army of the Serbian republic in Bosnia-Herzegovina (VRS) and representatives of the U.N. Protection Force (UNPROFOR) at Sarajevo Airport on Sunday [16 May], the news agency of Bosnian Serbs SRNA said.

The VRS delegation was headed by general staff commander, General Ratko Mladic and the delegation of U.N. peacekeepers by UNPROFOR commander for Bosnia-Herzegovina, French General Philippe Morillon. The meeting was attended by a member of the team of international mediator David Owen, SRNA said.

The VRS delegation asked of UNPROFOR to devote as much attention to Bosnian Serbs as to the two other peoples in Bosnia-Herzegovina.

What the VRS delegation primarily implied was the water supply for Srbobran (formerly Donji Vakuf), the covering of a part of the costs of the repairing of the hydroelectric power plants Jajce I and II which were damaged by Muslim and Croatian forces last year, and a better electricity supply for the Serbian Republic in Bosnia-Herzegovina (RS), especially the Banja Luka area.

Attention was drawn at the meeting to the fact that Sarajevo is supplied with electricity from the Jablanica hydroelectric power plant which is operating at a reduced capacity due to clashes between Muslims and Croats in the respective area.

Due to the situation in the area of Jablanica, Sarajevo also faces a water shortage, since the water pumps on Mount Ilidza cannot operate due to a poor electricity supply.

The U.N. Security Council ten days ago proclaimed five Muslim populated towns and settlements 'safe areas' under special U.N. protection.

Morillon Accused of 'Siding With' Muslims

LD1405175793 Belgrade TANJUG in English 1720 GMT 14 May 93

["Pool" item]

[Text] Pale, May 14 (TANJUG)—Bosnian Serb Commander General Ratko Mladic has decided to allow vital supplies to reach the U.N. Protection Force (UNPROFOR) teams in Srebrenica although the U.N. peacekeepers have not honoured the accord to demilitarize this Moslem enclave in eastern Bosnia.

In a letter to the U.N. commander for Bosnia-Herzegovina, French General Philippe Morillon, Mladic said on Friday [14 May] the fact that the accord had not been honoured testified to Morillon's "unprincipled stand" and "siding with the Moslems" which "harms the peace process and the reputation of the U.N. Forces."

The Srebrenica area should have been demilitarized almost a month ago, but the Moslems surrendered to UNPROFOR an insignificant quantity of weapons.

Although UNPROFOR initially claimed that the demilitarization of Srebrenica had been completed, Morillon subsequently denied it and said he hoped the Moslems would hand over their arms by May 10.

The Bosnian Serb Army then proposed May 14 as a new deadline, which UNPROFOR accepted, but nothing much has happened since.

According to the information obtained by the Bosnian Serb Army, the Moslems have so far surrendered mostly useless arms. On Thursday, for instance, they handed over one 82-mm mortar shell, one anti-tank mine, 38 rifle bullets and five empty rounds of ammunition.

The local Moslem commander in Srebrenica, Naser Oric, simply told UNPROFOR officers he would not permit 2,000 of his troops to be disarmed.

Mladic suggested to Morillon to accept four conditions for regular supplies of UNPROFOR troops in Srebrenica and another Moslem enclave in eastern Bosnia, Zepa.

First, the Moslem Forces in Srebrenica and Zepa should hand over arms and military equipment by five p.m. local time on Friday, which would be duly recorded by the two sides, under UNPROFOR's supervision.

Furthermore, in communication with the Serb side, UNPROFOR should not proceed from the principle of superiority (by posing demands), but from the principle

of equality (by making proposals), and address its proposals to the Army Headquarters of the Bosnian Serb republic, and not to "the Bosnian Serb Army."

in the interest of good cooperation, I do hope that you will accept our proposals, all the more so as you are commanding a peacekeeping force which should be absolutely neutral when the warring sides are concerned," said Mladic.

Serbs Say Muslims Have Not Disarmed in Srebrenica

LD1505201293 Belgrade TANJUG in English 1951
GMT 15 May 93

["Pool" item]

[Text] Bratunac, May 15 (TANJUG)—The Moslem side has failed to honour a third deadline for demilitarizing Srebrenica, a Moslem enclave in the east of war-ravaged Bosnia-Herzegovina, TANJUG learns from sources close to the Bosnian Serb command in Bratunac.

Under an agreement reached between the two sides, the demilitarization of the Srebrenica pocket in the area controlled by Bosnian Serbs should have been completed by five p.m. local time on Friday [14 May].

The Moslem side did not send its representatives to a meeting with the U.N. Protection Force (UNPROFOR) and the Bosnian Serb Army, so that a previously scheduled inspection of Srebrenica had to be cancelled.

TANJUG learns that a joint Serb-Moslem commission may go to Srebrenica on Sunday if an agreement on that is reached by their top-level representatives.

The first attempt to demilitarize Srebrenica failed in early April when the brunt of the local Moslem force fled to the nearby hills to avoid surrendering arms to UNPROFOR.

The second attempt failed earlier this week, when the local Moslem commander in Srebrenica told UNPROFOR he would not allow that 2,000 of his troops be disarmed.

Belgrade Radio: Mladic Threatens To Bomb London

AU1705092993 Belgrade Radio Beograd Network in
Serbo-Croatian 0800 GMT 17 May 93

[Text] General Ratko Mladic has warned the West not to use air strikes to try to impose the [Vance-Owen] plan on the Serbs. If they bomb me, I am going to bomb London, Mladic told REUTER and added that there are Serbs both in London and in Washington.

Mladic said that, if they set off on a military intervention in Bosnia-Herzegovina, Western ground forces might know how to get here, but they would not know how to get out. All who come here would leave their bones here, Mladic said.

Izetbegovic, Wahlgren Sign Agreement on UN Forces

LD1505162393 Zagreb Radio Croatia Network in
Serbo-Croatian 1500 GMT 15 May 93

[Text] Bosnia-Herzegovina Presidency President Alija Izetbegovic and Gen Lars-Eric Wahlgren, UNPROFOR [United Nations Protection Forces] commander for the former Yugoslavia, signed an agreement on the status of UN forces in Bosnia-Herzegovina today in Sarajevo. The agreement replaces an agreement which was signed with the former Yugoslavia before the war.

In a brief statement, Gen Wahlgren expressed satisfaction with the fact that Bosnian authorities have taken part in drafting the agreement which is based on the UN Charter. Izetbegovic thanked him and recalled members of the blue helmets who had died trying to preserve peace. Izetbegovic said that UNPROFOR members were welcome in Bosnia-Herzegovina where they had saved many people from cold and hunger. Gen Wahlgren laconically said that UNPROFOR members had understood well all necessary plans in the event of an intervention.

Muslims, UNPROFOR Hold Talks

LD1605164993 Belgrade TANJUG in English 1549
GMT 16 May 93

["Pool" item]

[Text] Banja Luka, May 16 (TANJUG)—The local Moslem command in the northwestern Bosnian region of Cazin Krajina and representatives of the U.N. Protection Force (UNPROFOR) have over the past few days met on several occasions to discuss a transfer of Moslems from Germany to other areas of Velika Kladusa and Cazin.

The Bosnian Serb army on Sunday [16 May] quoted sources close to the Moslem side as saying that the transfer involved Moslems who had undergone special training in Germany.

Although the contents of the Moslem-UNPROFOR talks have not been revealed, the Bosnian Serb Army said in a statement, it has been established beyond any doubt that the special Moslem troops should arrive in Cazin Krajina over the territory of the republic of Serb Krajina (RSK) which borders on this Moslem enclave.

This has not come as a surprise to the Bosnian Serbs, because humanitarian convoys carrying aid to Cazin Krajina have also been delivering military aid to the local Moslems in their war against the local Serbs.

UNPROFOR troops are deployed along the border of Cazin Krajina and the U.N.-protected RSK.

Serbs Say New Mass Grave Discovered Near Srebrenica

LD1405204793 Belgrade TANJUG in English 1954
GMT 14 May 93

["Pool" item]

[Text] Belgrade, May 14 (TANJUG)—A new mass grave in which Moslem forces buried Serb villagers on June 21 last year was discovered in the village of Ratkovici near the Moslem enclave, Srebrenica, east Bosnia.

The opening of the grave will be carried out on Monday, May 17, said the Bosnian Serbs' news agency SRNA Friday, citing Bosnian Serb military sources.

The Bosnian Serbs' military command invited the leaderships of the Federal Republic of Yugoslavia and the Yugoslav Republics of Serbia and Montenegro, the commands of UNPROFOR [UN Protection Force] for Bosnia-Herzegovina and former Yugoslavia, international humanitarian organizations, the Serbian Orthodox Church and the media to attend this, as set out, further "proof of the tragic plight of the innocent Serb people."

The mass grave of the civilians at Ratkovici is yet another of scores of similar execution grounds for Serbs uncovered over the past few months around Srebrenica.

Members of the Moslem Army in Srebrenica alone wiped out completely 56 Serb villages and murdered around 1,300 Serbs, mostly civilians, predominantly women, children and the elderly.

German Group Says Serbian Prison Camps Reopened
LD1405155193 Hamburg DPA in German 1449 GMT 14 May 93

[Text] Goettingen (DPA)—The Goettingen-based Society for Threatened Peoples (GfbV) said today that Serbian prison camps closed in response to international pressure have been reopened. The human rights organization said a large group of Muslim men from the Bosnian town of Prijedor have been herded together and taken to the Serbian camp at Keraterm in the Prijedor region as part of the program of "ethnic cleansing." The GfbV called for UN troops to intervene immediately to free the men.

The camps at Keraterm, Omarska, and Trnopolje in the Prijedor region were described in international reports as the worst camps in the war in former Yugoslavia. Twenty-thousand people are alleged to have been murdered there and in the neighboring town. The men now imprisoned were the last 1,000 of 67,000 Muslims who had formerly lived in Prijedor.

The GfbV said it feared that the reopening of Keraterm is not an isolated case. It presumes the prisoners are to be used as a bargaining chip against military intervention by the international community, which is threatened if the Bosnian Serbs this weekend reject the Vance-Owen plan envisaging the division of Bosnia into 10 provinces.

Karadzic To Ask Gorbachev To Draw New Peace Plan

AU1505191693 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 15 May 93

[Statements by president of the Serb republic in Bosnia-Herzegovina Radovan Karadzic, given to various

reporters in Pale after casting his vote at the referendum on the Vance-Owen plan; in English with superimposed translation in Serbo-Croatian—recorded]

[Text] [Unidentified reporter] How did you vote, sir?

[Karadzic] It is a secret. A secret vote. I shall not give away my secret.

[Unidentified reporter] What do you expect the people to do?

[Karadzic] The people will vote according to their own opinions—secretly and according to their free will.

[Unidentified reporter] What did you advise them?

[Karadzic] Well, I should not influence the people. They should vote according to their own free will. However, if they reject this plan then I will ask Mr. Gorbachev to draw up a new plan. If Vance-Owen plan number one is dead, let us then draw a Vance-Owen plan number two.

[Unidentified reporter] Yesterday you were saying differently. You said that it would be a catastrophe if the plan is upheld?

[Karadzic] No, I said that it would have been a catastrophe had the representatives of the people voted for the plan, as the people would not have accepted this and the system itself would have collapsed.

[Unidentified reporter] If you were asked to guess the outcome of the referendum, what would you say?

[Karadzic] I can guess as much as you can, but this would not be a good guess. Okay, thanks!

Karadzic Comments on Pan-Serbian Declaration

LD1505181693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1543 GMT 15 May 93

[Excerpts] Pale, 15 May (TANJUG)—Radovan Karadzic, president of the Serb republic [of Bosnia-Herzegovina] told TANJUG's special correspondent today [words indistinct] [declaration] "is of no great importance."

"It is more a [word indistinct] recommendation by concerned citizens of Yugoslavia and their leaderships. We truly recognize and understand such concern, but one should know that no one today is more concerned than Serbs in the Serb republic. Their concern is the greatest and the price they are paying the highest," he said.

The declaration, Karadzic said, contains a number of inappropriate accusations, such as the one that Bosnian Serbs do not recognize the overall Serb interests.

"We believe that the future will show that we were right and that we took into consideration the overall Serb interests," stressed Karadzic. "If a nation as a whole is being defended, then it must not be defended bit by bit."

Especially, it must not defend particular interests if it has higher aims—to preserve independence and freedom,” said Karadzic.

In his opinion, the Serb nation is today in a situation in which its mere existence is threatened because it did not defend itself in this way [as a whole]. “Had we all been motivated and united at the first glimpse of danger, had we reduced our economy to the level what is necessary for the defense of Serbs as an entire nation, the war would not have come to Serbs in Knin via Bosnia, it would have stopped in Knin,” Karadzic said.

President Karadzic also said that Serbs in Bosnia succeeded—during the past 14 months of the fighting—to stop the war, which was threatening to spread to Serbia, and protect Serbia, thus taking upon their own shoulders this heavy burden. “We are certain that everything that is happening in Serbia and Yugoslavia is happening because of western plans to destroy the Serbs, and not because we offered resistance.”

[passage omitted]

Karadzic stressed that Yugoslavia’s position so far—to accept everything that the three constituent nations agree on by consensus—was the best political position which took into account Serb as well as Muslim and Croatian interests. “They [Yugoslavia] have now joined in international pressure for accepting the Vance-Owen plan and this created an important political difference between us and them.” [passage omitted]

Asked whether he would travel to the Federal Republic of Yugoslavia in the near future [passage indistinct] Karadzic replied: “Since the closure of the border I have been to Serbia once, when I was officially invited. I was met by an official delegation and this was immediately interpreted to mean that there were no restrictions. Restrictions do exist

and I will try to go to Yugoslavia as rarely as possible, and in any case not without an invitation.”

Death Toll for 16 May Rises to 103

LD1605181593 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 16 May 93

[Text] The health service center of Bosnia-Herzegovina announced today that 103 people have been killed and another 21 wounded in Maglaj, Brcko, Bihac, Gorazde, and Sarajevo over the past 24 hours. Of that number, 18 were wounded in Sarajevo, but no deaths were registered.

A statement says that the hospital in Mostar is suffering shortages of blood for transfusion, as well as wound dressings and surgical material, while hospitals in Sarajevo are operating under extremely difficult conditions due to frequent electricity cuts.

Seselj Holds Talks With Karadzic in Pale

LD1505160493 Belgrade TANJUG Domestic service in Serbo-Croatian 1524 GMT 15 May 93

[Text] Pale, 15 May (TANJUG)—Dr. Vojislav Seselj, chairman of the Serbian Radical Party [SRS], began talks today with the leadership of the Serb republic [in Bosnia-Herzegovina] in Pale.

The talks are attended by Dr. Radovan Karadzic, president of the Serb Republic; Nikola Koljevic, vice president of the Serb republic; Momcilo Krajisnik, president of the Serb republic assembly; and Nikola Poplasen, chairman of the Serb Radical Party for Bosnia-Herzegovina.

As has been learned, they are discussing new political possibilities for a peaceful solution to the crisis in former Bosnia-Herzegovina.

Seselj arrived in Pale after visiting Knezina and Sokoc.

Tudjman, Germany's Kinkel Have 'Vehement Exchange'

LD1405152293 Hamburg DPA in German 1234 GMT 14 May 93

[Text] Zagreb (DPA)—Federal Foreign Minister Klaus Kinkel has apparently put strong pressure on the Croatian leadership, saying Zagreb shares the responsibility for the conflict between the Bosnian Croats and Muslims. During his talks with Croatian President Franjo Tudjman and Foreign Minister Zdenko Skrabalo today, he strongly demanded that the Croatian side "put things in and around Mostar back in order." In the Croatian president's reply, Kinkel said, he had seen that Tudjman had "certainly got the message."

According to Kinkel, the EC takes the view that Croatia and the leadership in Zagreb share the responsibility for the bloody conflict between Bosnian Croats and Muslims. Evidence to prove this would be presented in New York in the next few days, Kinkel said. Recently Croatia has strongly denied any direct responsibility or involvement.

Germany still wishes to have good relations with Croatia, Kinkel stated. "But we must be allowed to criticize each other, and at the moment this includes the situation in Mostar," he asserted. The "good will" Zagreb had expressed in the talks will now be judged by whether the situation in Mostar is resolved. Tudjman also told Kinkel that he will "soon" travel to Mostar himself. The UN peace-keeping troops and the international community see the Bosnian Croats as the party that is mainly responsible for the bloody fighting in Mostar and central Bosnia over the last few days.

According to observers, Kinkel and Tudjman apparently had a vehement exchange of opinions in Zagreb. It was seen as an indication of this that the Croatian president refused to make any public comment after the talks.

Minister Skrabalo Meets With Kinkel

LD1405153293 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 14 May 93

[Text] Croatian Foreign Minister Zdenko Skrabalo and Klaus Kinkel, German vice chancellor and foreign minister, today held talks at the Ministry of Foreign Affairs on bilateral relations and ways of resolving the crisis in Croatia and, particularly, in Bosnia-Herzegovina, the Croatian Ministry of Foreign Affairs has said in a statement.

Foreign Minister Kinkel denied claims that the relations between the two countries have cooled off, stressing that the overall relations should not be judged only by top-level meetings or on the basis of individual statements or public appearances. Bilateral cooperation is under way at the level of experts in economic, cultural, scientific, and political life; cooperation between the two countries' representatives in international organizations and associations is also significant, he said. Having agreed that

the EC did not react in a timely and resolute manner to stop the spread of the conflict in the former Yugoslavia, Dr. Kinkel stressed that the EC did not attach any validity to the announced referendum of the Bosnian Serbs on the adoption of the Vance-Owen plan.

The two ministers agreed that, regardless of who is to blame for the escalating conflict between the Muslims and Croats in Bosnia-Herzegovina, everything possible should be done to stop the conflict. Stressing that Croatia does not want either a Lebanonization or a Cyprus-type solution on its territory, Foreign Minister Skrabalo said that Croatia expects support from Germany and the EC for its efforts fully to implement the Vance-Owen plan and apply Security Council Resolution 769 on supervising the borders between Croatia, the FRY-Serbia and Montenegro, and Bosnia-Herzegovina.

The two ministers will continue their talks this evening and will make public statements at Pleso Airport.

Kinkel Visits Refugee Camp

LD1405204193 Hamburg DPA in German 1825 GMT 14 May 93

[Excerpt] Zagreb (DPA)—German Foreign Minister Klaus Kinkel has described a visit to Croatia's largest refugee camp at Karlovac as "extremely moving." Rounding off his brief visit to Croatia, Kinkel said this evening that he accorded the Croatian Government "every respect" as it is bearing the bulk of the effects of the war in the Balkans. [passage omitted]

Kinkel Ends Visit, Departs

LD1405210893 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 14 May 93

[Text] After a one-day visit to the Republic of Croatia Klaus Kinkel, German vice chancellor and foreign minister, left Zagreb this evening. At Zagreb's Pleso Airport, where he again met with Croatian Foreign Minister Zdenko Skrabalo, the two ministers gave brief public statements. Branko Merlin reports:

[Merlin] Expressing satisfaction with the just finished talks Minister Skrabalo recalled that the high-ranking visitor had talks today with Croatian President Franjo Tudjman, Prime Minister Nikica Valentic, and talks at the Ministry of Foreign Affairs. The talks concentrated on foreign policy issues and bilateral relations.

[Begin Skrabalo recording] Within the foreign policy issues we particularly attached attention to the overall situation in Croatia and Bosnia-Herzegovina. We explained the Croatian standpoints, but also the maximum readiness by the Republic of Croatia to resolve the conflict in a peaceful way by implementing the Vance plan in Croatia and the Vance-Owen plan in Bosnia-Herzegovina. [end recording]

President Tudjman's announced trip to Mostar and a visit to Mostar by a Croatian-Turkish delegation should

help to remove the conflict between the Croats and Muslims, which Minister Kinkel talked about as a great problem at the news conference today.

During the visit the talks also dealt with economic relations and cooperation between the foreign ministries of the two countries. Croatia is grateful for the humanitarian aid which Germany has given and continues to give and is glad that Chancellor Kohl has accepted President Tudjman's invitation to visit Croatia, Minister Skrabalo said.

In his statement Minister Kinkel said that he has already expressed the German stand regarding the war in Bosnia-Herzegovina and the conflict in Mostar at a news conference, when he, let us recall, pressed for a multiethnic Bosnia-Herzegovina and an end to Croat-Muslim confrontations. He also told journalists that he briefly met with opposition representatives Dapcevic-Kucar and Drazen Budisa and representatives of the Croatian Helsinki Watch.

After the visit to Karlovac today, and to a refugee village built with German aid he is deeply aware of the usefulness and significance of humanitarian work, Kinkel said, expressing his respect for everything Croatia has done to accommodate refugees.

RSK Denies Meeting Planned With Croatian Authorities

LD1405213293 Belgrade TANJUG in English 1433 GMT 14 May 93

[Text] Knin, May 14 (TANJUG)—The State Committee of the Government of the Republic of Serb Krajina (RSK) for Relations with UNPROFOR on Friday denied a report from Zagreb that a meeting had been scheduled to be held in Topusko on May 18 between representatives of the RSK and Croatian authorities.

It was announced on Friday in Zagreb that President of the Republic of Croatia Franjo Tudjman had accepted a proposal by Russian Deputy Foreign Minister Vitaliy Churkin for the organization, with a view to normalizing relations in United Nations protected areas (UNPA) in Croatia, of a meeting between representatives of Croatian authorities and the local Serbs.

The Krajina state committee said that the position of the RSK had been made clear to Churkin during his meeting to Knin on "peaceful resolution of the conflict by negotiations, within the permanent joint commission, on an equitable basis on all contentious issues, including the status of the RSK."

The committee said the proposal for talks to be held in Topusko, presented by Churkin on behalf of Tudjman, had been neither accepted nor discussed in detail in Knin.

The Serbs proclaimed the RSK in 1991 in areas inside the administrative borders of Croatia where they are the majority population in protest over Croatia's secession from Yugoslavia and the degradation of their status in its new constitution from a nation to a national minority.

Valentic Writes Letter to Butrus Ghali

LD1505180193 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 15 May 93

[Text] Croatian Prime Minister Nikica Valentic has sent a letter to UN Secretary General Butrus Ghali asking him to use his authority and influence to force the Federal Republic of Yugoslavia to exchange all prisoners, and to exert influence on the international community to form an international mechanism which will be more effective in the search for missing and forcibly detained people.

Prime Minister Valentic stresses in his letter that what is particularly burdensome for the government and the people of the Republic of Croatia is the fact that the Federal Republic of Yugoslavia does not want to yield information to Croatia or to the international public on Croats who have been forcibly taken away from the scenes of the greatest suffering of the Croatian people—the town of Vukovar, Borovo Naselje, Drnis, and other places. Serbia and Montenegro should be aware of their responsibility for the genocide and victims of their aggression and the occupation of the Republic of Croatia. Since they cannot admit this because the war and conquests are continuing, they are exerting pressure by holding hundreds of Croats captive and sending them to forced labor. These people are thus the cause of suffering to their families and the people of the Republic of Croatia who are bearing this with their last remaining strength and patience, the letter from Croatian Prime Minister Nikica Valentic to UN Secretary General Butrus Ghali says.

Croats Reportedly Shelling RSK With Chemical Weapons

LD1505202793 Belgrade TANJUG in English 1956 GMT 15 May 93

["Pool" item]

[Text] Knin, May 15 (TANJUG)—Croatian Army troops on Saturday used chemical warfare shells in artillery attacks on Nadinska Kosa and the village of Skabrinja in the south of the U.N.-protected Republic of Serb Krajina (RSK).

The RS Army Command said in a statement on Saturday evening that the Croatian troops started firing chemical warfare shells which are strictly forbidden by international conventions, at noon on Saturday.

The villages of Oiljane Donje, Biljane Gornje and Smiljcic were also shelled, the statement added. The Croatian Army attempted to penetrate the RSK defences in the area of Novigrad, but the RSK Army returned fire and forced the attackers to withdraw to their positions.

Croatia on January 22 assaulted the RSK, proclaimed in 1991 in the predominantly [words indistinct] the break-away Yugoslav Republic of Croatia, and has since disregarded two orders from the U.N. Security Council to stop the offensive and withdraw to behind the U.N.-brokered truce line.

UNPROFOR Convenes Meeting With Government

LD1605222093 Zagreb Radio Croatia Network in English 2105 GMT 16 May 93

[Text] UNPROFOR has convened a meeting of the Croatian Government and the Serb local authorities on Tuesday 18th May at Topusko in Sector North. This will be the first face to face meeting of the two sides since the return of hostilities on 22d January.

The meeting, which will be chaired by the deputy chief of mission, Mr. Cedric Thornberry, will have two items on its agenda. The parties will be asked to sign an immediate interim ceasefire in the conflict, which began on 22d January, pending the bringing into effect of an agreement to implement Security Council resolution no. 802 of 26th January and the establishment of a mechanism to deal with all outstanding issues of common practical and economic concern.

The meeting follows an initiative taken last week by the Russian deputy foreign minister and special envoy, Vitaliy Churkin, who's asked that the special mechanism be established under the auspices of UNPROFOR through which the Croatian Government and Serb local

authorities could seek resolution to the many outstanding practical and economic issues of joint interest.

Croats Reportedly Shell Benkovac in RSK

LD1705085493 Belgrade TANJUG in English 0811 GMT 17 May 93

[Text] Knin, May 17 (TANJUG)—Regular Army troops of the Republic of Croatia on Sunday evening shelled from howitzers the town of Benkovac in the Republic of Serbian Krajina (RSK), which is a U.N. Protected Area (UNPA).

Ten howitzer shells hit Benkovac at around 18:30 hours local time, the RSK army said on Sunday night.

Two hours earlier, the villages of Smiljcic, Lisan, Tinski, Tin and Jagodnja, along the Zadar-Benkovac line on the northern Dalmatian front, were the targets of combined fire from tanks, mortars and howitzers.

No information is available for the time being about possible casualties in the villages attacked by Croatia's forces.

The attacks are the continuation of aggression launched by Croatia on the RSK on January 22. The aggression has been condemned by the U.N. Security Council, which has called on Croatia to withdraw its troops from the RSK.

The RSK was proclaimed in the predominantly Serb populated areas of the former Yugoslav republic of Croatia in 1991, after Croatia's forcible secession from Yugoslavia.

President Criticizes Croatian Actions in B-H

*LD1405171893 Belgrade TANJUG in English 1659
GMT 14 May 93*

[Text] Ljubljana, May 14 (TANJUG)—Slovenian President Milan Kucan has for the first time indirectly accused Croatia of waging a war in the former Yugoslav Republic of Bosnia-Herzegovina.

After his talks here on Friday with the visiting Romanian President Ion Iliescu, Kucan said that "peace in Bosnia must be ensured by those who are conducting aggression on that state, and the participants in talks for achieving peace there are Belgrade, Zagreb and Sarajevo."

Besides persistently ascribing aggression on Bosnia-Herzegovina to the Serbs, the president of Slovenia listed also Croatia among those guilty of the war.

Slovenia was followed by Croatia and Bosnia-Herzegovina in seceding by force from the former Yugoslavia.

A similar statement by former Slovenian Foreign Minister Dimitrij Rupel a few months ago provoked very sharp reactions from top political circles in Croatia.

A civil, ethnic and religious war between Bosnian Moslems, Croats and Serbs is continuing in Bosnia-Herzegovina for more than a year but the clashes between Moslems and Croats for domination over the provinces with mixed population erupted three months ago and have escalated especially after their representatives signed the Vance-Owen peace plan. From the very beginning, about 50 to 60 thousand troops of neighbouring Croatia have been helping the Bosnian Croats.

Kucan, Romanian President Differ on Serbia

AU1505134793 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 14 Apr 93

[Excerpts] Romanian President Ion Iliescu arrived for a four day official visit to Slovenia this morning. We were greeted formally with full military honors by President Kucan at Brnik airport. Presidents Iliescu and Kucan first held man-to-man talks, and subsequently met in the presence of other high officials of both countries. They also made brief statements for the public after the talks. Matej Surc reports:

[Begin recording] [Surc] To end the war in Bosnia-Herzegovina, to secure peace on this territory as quickly as possible, and to take the Vance-Owen peace plan as the basis for the further talks of the three warring sides—this was a joint assessment of presidents Iliescu and Kucan after the morning talks.

Regarding bilateral relations between Romania and Slovenia, the presidents agreed that the cooperation should be widened and deepened, as great interest and the objective conditions for it exist on both sides, especially for economic relations. [passage omitted]

There are, therefore, plenty of identical or similar views between Slovenia and Romania. However, there are also differing views which the presidents stressed. First Ion Iliescu:

[Iliescu, in Romanian fading into Slovene translation in Slovene] We have never had any conflicts with our neighbor, Serbia, in the past. The same applies to the former Yugoslavia. We have always acted friendly toward them. We are obviously the only ones who are on good relations with Serbia. There are no territorial demands or any other troubles.

[Surc] Milan Kucan said that several explanations are possible:

[Kucan] We, of course, insisted here that the key reason for the current situation is the manner in which the Serbian politicians are resolving the [words indistinct] issues and that we must first secure the conditions in which the nations and [word indistinct] on this territory will be able to decide [words indistinct].

[Surc] The Romanian President will also meet Slovene Prime Minister Dr. Janez Drnovsek this afternoon. The emphasis will be placed on the economy on this occasion. Iliescu will also discuss economic issues with Dagmar Suster, head of the Slovene Economic Chamber, in the presence of Slovene businessmen. [end recording]

Drnovsek Meets With Romanian President

*AU1505134893 Bucharest ROMPRES in English 1625
GMT 14 May 93*

[Text] Bucharest ROMPRES, 14/5/1993—Friday, May 14 in the afternoon Romanian President Ion Iliescu had an interview in Ljubljana with Chairman of the Slovene Government Janez Drnovsek [as received].

Mainly discussed were matters concerning bilateral relations as the two collocutors opined the conditions were ripe for those relations to be started and diversified in various fields.

The agenda of the Romanian president's visit to Ljubljana further includes an interview with the chairman of the Slovene Chamber of Commerce and with representatives of the Slovene firms which cooperate with Romania.

Izetbegovic Fails To Arrive for Talks

*LD1605205393 Belgrade TANJUG in English 2036
GMT 16 May 93*

[“Pool” item]

[Text] Ljubljana, May 16 (TANJUG)—Bosnian Moslem leader Alija Izetbegovic on Sunday again failed to arrive in Ljubljana, where he was to meet Romanian President Ion Iliescu currently on an official visit to the Former Yugoslav Republic of Slovenia.

Izetbegovic was to have met Iliescu in Ljubljana on Saturday but postponed his trip for Sunday. Izetbegovic was also to have met with Slovene President Milan Kucan.

The reason for Izetbegovic's failure to meet Iliescu has not been officially announced. Reliable sources, however, say that Romania's stands on the Yugoslav crisis and ways to end the war in Bosnia-Herzegovina do not suit Izetbegovic. President Iliescu maintains that the causes of the Yugoslav crisis and the Bosnian war would not be interpreted one-sidedly. He told his Slovene hosts that Romania was of the opinion that Serbia was not the one and only side to be blamed for the developments in the former Yugoslavia.

Bosnian Moslem Foreign Minister Haris Silajdzic, who has been in Slovenia since Saturday evening, did not comment Izetbegovic's cancelling of the visit.

Iliescu arrived in Ljubljana on Friday and is next week to tour Croatia's capital Zagreb and the Yugoslav capital Belgrade.

Slovene, Croatian Prime Ministers Hold Talks

AU1505182493 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 15 May 93

[Text] Slovene and Croatian Prime Ministers Dr. Janez Drnovsek and Nikica Valentinc met at Mokrice castle near Brezice shortly before 1500 [1300 GMT] today.

As Dr. Drnovsek stated for our radio station before the meeting, the prime ministers will try to agree on ways to accelerate the Slovene-Croatian talks and thus improve relations between the states.

As our correspondent Irena Majce reports, Dr. Drnovsek assessed that it was high time that Slovenia and Croatia reached certain solutions. Among other things, they will discuss borders, economic relations, and also the issue of property in Croatia and Slovenia.

The meeting is also attended by Slovene Foreign Minister Lojze Peterle and Franjo Greguric [not further identified].

Foreign Minister Meets With Bosnian Counterpart

LD1605213193 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 16 May 93

[Text] [Slovene Foreign Minister Lojze] Peterle today met with the foreign minister of Bosnia-Herzegovina, Haris Silajdzic. Peterle said that they discussed the refugees from Bosnia-Herzegovina accommodated in Slovenia, the difficulties encountered by Bosnia-Herzegovina's citizens in transit through Slovenia, and the latest information on a possible course of events in Bosnia-Herzegovina. Silajdzic, Peterle added, assessed that next week will be decisive for Bosnia-Herzegovina.

Company Found Importing Parts From Serbia

AU1605165993 Ljubljana DELO in Slovene 7 May 93 p 3

[Joze Pobjic report: "Tomos Tried to Import Parts from Novi Sad"]

[Text] Gorican, 6 May— The customs officers at the Gorican Croatian border crossing with Hungary near Cakovec seized more than 150,000 German marks worth of cylinders, pistons, and other parts for two-stroke engines approximately two weeks ago, which a Maribor-based private hauler was driving, supposedly from Macedonia, to Koper-based Tomos, that it to say, to its subsidiaries Promo and Stamo. The Croatian press also wrote about this case, but Tomos yesterday declined to comment on the event. For this reason, we visited the Gorican border crossing and inquired about the matter.

Mijo Smolec, head of the customs office in Gorican, explained to us that the driver had all the necessary papers, which stated that the goods originated from Macedonia and that the Macedonian company Akum Melbat was selling them to Tomos. However, the customs organs became alert because two certificates of origin, which were otherwise properly filled and bore the seal of the Macedonian Chamber of Economy, lacked the usual sequential number in the right hand corner of the certificates. With the help of the Croatian international observers for the implementation of the embargo against Serbia, they checked these two certificates of origin in Macedonia and established that the certificates were counterfeit, as the Macedonian Economic Chamber had no record of them in its register. The Skopje based company, Akum Melbat, whose name appeared on the invoices, also denied ever having cooperated with Tomos. In this way, they established that the goods really did not originate from Macedonia. They deduced from the foundry seal that was clearly visible on each cast that the parts had been manufactured in the 27 March motor parts and casts industry in Novi Sad.

According to Mijo Smolec, they do not have many troubles with the haulers who violate the embargo at this border crossing, which is the second largest with Croatia. The case of Tomos was the first this year.

Greens Claim Krsko 'Leaking Radioactive Substances'

AU1405121593 Belgrade BORBA in Serbo-Croatian 13 May 93 p 24

[S. Sicarov report: "Radioactive Radiation from Krsko"]

[Text] Ljubljana—The Greens of Slovenia, led by Vane Gosnik, and the Greens-Social Ecological Party, led by Dr. Peter Tancig, in their official public statements claim that Krsko nuclear power station was leaking radioactive substances and contaminating the environment prior to its shutdown on Monday.

None of the parties provides any more detailed information concerning the quantity and scope of the radiation, but they demand that the authorities admit that radiation did occur and that this was the reason for station's shutdown. Miroslav Gregoric, director of the Slovene Nuclear Safety Administration, had stated that radioactive contamination did not take place, which Dr. Tancig called "impermissible cynicism."

The Krsko station itself also denied that there was any radioactivity, and its director, Stane Rozman, stated that the shutdown of the reactor owing to a fault in the cooling system was "an anticipated event."

They are already examining which of 4,074 pipes in the condenser had been leaking steam. After consultations with Westinghouse, they decided to repair the fault themselves without any foreign assistance. At the same time, they stress that the standard practice in the world is to replace the cooling pipes, which are exposed to temperatures of over 320 degrees centigrade, every 10 years of operation; however, Krsko has not changed anything for 12 years. This is the first breakdown since the opening of the nuclear power station, and it is assumed that it occurred as a result of worn-out pipes.

Scandals in Intelligence Service Analyzed

93BA0968A Ljubljana DELO in Slovene 23 Apr 93 p 2

[Article by Vinko Vasle: "The Latest VIS Scandal Was Supposed To Deflect Public Attention"]

[Text] *Reasons for the withdrawal of Sirse's candidacy for state secretary for tourism; how Roman Jeglic got rid of his biggest danger; denunciation of Brejc to Prime Minister Janez Drnovsek.*

Ljubljana, 22 Apr—The public is certainly tensely awaiting tomorrow's appearance by Dr. Miha Brejc before the parliamentary group for oversight over the work of security and intelligence services. Brejc will thus, after universal speculations and conjecture, will have an opportunity to say all sorts of interesting things, not just with respect to the Hit scandal, but especially with respect to everything related to the latest VIS [Security-Information Service] scandal.

It broke out at the moment when the Hit scandal started to grow a little more, which means that someone (some people) was trying to turn public attention in another direction. Regardless of all this, the Hit scandal remains a property scandal of the first rank, and no one will be able to evade it. The VIS scandal, of course, is something completely different, although it is apparently related to Hit and the missing documents. A particularly interesting story in it is why Prime Minister Dr. Janez Drnovsek replaced Brejc, and what happened before the replacement and after it.

In one interview, former VIS Director Dr. Miha Brejc said, among other things: "I do not know whether Janez Sirse is a member of the board of directors of the

Portoroz casino, but of course it would be an interesting combination, known from the old days. Of course, I hope that is not the case." With that conjecture, which later turned out to be true, Brejc, of course, did not endear himself to the new director, Sirse. In general, Sirse's appointment as VIS director was a sort of surprise, since the circle of those who knew about it was relatively narrow. In fact, on 11 February 1993 Drnovsek signed a formal proposal to appoint Janez Sirse as state secretary for tourism; then he withdrew that proposal, and on 19 February, at a government meeting, Sirse was appointed VIS director. Maks Tajnikar, who as the responsible minister had proposed Sirse, was not even informed about the reasons for withdrawing Sirse's candidacy for state secretary for tourism. Those who knew more about the matter, in addition to the prime minister, were also Justice Minister Miha Kozinc, government secretary general Mirko Bandelj, LDS (Liberal Democratic Party) secretary Gregor Golobic, and Marjan Kramer, Drnovsek's chief of staff. It is consequently obvious that Sirse's candidacy for VIS director was not coordinated within the party, since the LDS vice presidents did not know anything about it, nor was the LDS deputies' club informed of it. Consequently, neither the party nor its leadership was informed of Sirse's appointment, and of the three government ministers that oversee and guide the VIS's work, only Kozinc was familiar with the matter. Later, in response to various hints and speculations about why Brejc was replaced and why Sirse replaced him, Drnovsek did not feel any need to say anything about this important personnel replacement.

The only available public "source" is a statement from the government's information office saying that the public dispute over the notorious wiretapping scandal "created doubt about the suitability of the previous chief for continuing to hold the position." The belief that Sirse became VIS director because he was the prime minister's personal choice was therefore correct, since he and Sirse are not only working colleagues but are also linked by memories of the Belgrade days when Sirse was the SFRY prime minister's chief of staff. Of course, the matter is not that simple, since a key role in Brejc's replacement was played by several elements that were combined in the conclusion that Brejc was not "the right man." Among them, of course, are the criticisms from several party leaders who had different desires regarding the VIS's function in a parliamentary democracy. On several occasions attempts were made to persuade Brejc that his position was also a political one, etc. What turned out to be fatal was the "analytical" letter from Brejc's deputy, Roman Jeglic, in which the latter made serious accusations against the former on three points. Those familiar with the situation in the VIS claim that Jeglic thus got rid of a danger, namely the fact that he would not survive in the VIS; but he did, namely after he successfully survived his UDBA [State Security Administration] career. Specifically, all the preparations had been made for someone else, more competent and especially without liabilities from the past, to replace him. Jeglic thus undoubtedly knew that Brejc intended to replace him, especially since

on several occasions Jeglic responded unusually—during the war in Slovenia, for instance, Brejc noticed that Jeglic was not coming to work and that he was absent a lot. For a deputy VIS director, that was more than unusual.

Even more interesting, however, is what happened later with Jeglic's "denunciation," which he personally delivered to Prime Minister Drnovsek! Brejc was only informed in the second half of March about the contents of the letter, which according to our information was written at the end of January. Dr. Janez Drnovsek informed him of its contents, and Miha Brejc, because of the "incredible constructions and dangerous inventions," demanded that he be confronted with Roman Jeglic, and proposed that it be done before the government commission that monitors and guides the VIS's work. After some ups and downs the confrontation occurred on 14 March, and all three members of the government commission (Ivan Bizjak, Miha Kozinc, and Dr. Rado Bohinc) participated in the meeting, along with Roman Jeglic and Dr. Miha Brejc, who—as he said—felt like a defendant on that occasion.

Because of the seriousness of the matter, Brejc requested that the meeting, in which Jeglic's accusations were to be cleared up "point by point," be recorded. He later had to

consent to written minutes, however, since Justice Minister Miha Kozinc said that there was no suitable equipment (a tape recorder!). Furthermore, Kozinc also did not permit the contents of Jeglic's letter to be analyzed by having those present provided with the letter, and in particular, he did not even want to show Brejc the letter. After the meeting, Kozinc promised him that the minutes would be done by the next day at the latest, but to this very day Brejc has not yet seen them, and he does not know what is in them. In this regard, it is not insignificant that new VIS Director Janez Sirse, during their conversation on 9 April, told Brejc, among other things: "In the minutes, you said this and that!" Brejc asked Sirse how he knew this, if he himself had not had access to the minutes, even though he had requested it several times, he had interceded with Drnovsek, and he had also made a written request to the government commission. Sirse retorted that he had obviously read all of this in those minutes.

Who is hiding those minutes from Brejc, who should have had at least the opportunity to read them, and why, if his comments on it are not welcome (although it would be something completely normal)? That is also a question that will have to be cleared up, since the minutes could be used for some sort of manipulations, especially by those who are now placing the VIS's role in the Hit scandal unusually high, and Brejc's role along with it.

Federal

Pan-Serbian Assembly Ends Belgrade Meeting

Milosevic Praises Assembly

AU1405203893 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 14 May 93

[Interview with Serbian President Slobodan Milosevic by Zoran Jevdjovic in the Belgrade Save Center on 14 May—recorded]

[Text] [Jevdjovic] After the assembly session attended by representatives of virtually all Serbian parliaments concluded, Serbian President Slobodan Milosevic agreed to tell us, first about your impressions, Mr. President, and second, to comment on the fact—we all watched—that some of the deputies failed to agree, and some walked out. How would you comment on all this?

[Milosevic] First of all, this joint gathering of people's deputies should not be treated as a formal legal action. One can rather say that what is involved is an extremely significant political act or, even more precisely, a moral act. It is above all doubt, it is my firm conviction, that the text of the declaration adopted at the end of the session expresses the interests of the huge majority of the Serbian people, who are oriented toward peace, expresses the opinion and interests of the huge majority of the citizens of Serbia who are oriented toward peace. It is my firm conviction that everyone in the Serbian republic [in Bosnia-Herzegovina] is oriented toward peace. I think that such an orientation and an interest expressed so strongly has great significance, and that no one should neglect it in the decisions that are to follow.

I believe that we are moving toward the final goal, toward attaining a just peace, and I am certain that in this respect today's session also represented a very, very large and a very significant step. I believe in peace, and am sure that there is no alternative to peace.

[Jevdjovic] Would you please tell us one more thing: We have seen that a number of deputies failed to accept the arguments. In your opinion, is everyone aware of the danger looming over virtually all Serbs, not just the Serbs in Bosnia? Does that have to be accepted as the decisive factor when deciding on adoption or nonadoption of plans which, it is clear, may justify all kinds of remarks, but must be adopted.

[Milosevic] This is not a question of, as you have put it, all kinds of modalities of the plan. This is the question of a decision in favor of peace. I am convinced that if those deputies who decided to walk out of the joint session of all deputies stayed, the results would have been the same, because it is beyond all doubt that the huge majority which, in my opinion, authentically expresses the interests of the entire people, and all citizens of Serbia and Yugoslavia, is oriented toward peace. This is, after all, the only way to manage to preserve what the Serbian people in Bosnia-Herzegovina won with our tremendous

solidarity, and that is security and freedom, equality and freedom, and to achieve the remaining demands and settle the remaining questions under peaceful conditions and not bloodshed.

It is completely clear that it makes sense to give one's life if the cause is freedom, but when that freedom is ensured, when peace is ensured, when people's safety is ensured, it is that turning point for one to turn back to negotiations, and by no means to continue confrontation and bloodshed.

Therefore I am certain that not much time will pass until that decision is formally made. I am going to advocate it unreservedly. It is in the interest of the entire Serbian people. It is in the interest of all citizens of Serbia and, I am sure, of all citizens of the Serbian republic as well. At the moment, many things are not sufficiently clear, but I hope that many things will become much clearer in the coming days and it will be seen that, just as we have always supported the interests of Serbia and the Serbian people in general, this position of advocating peace is in the best interest of the Serbian people at this moment. I am certain that this position will win. It must win. It opens a perspective. Any other position closes perspectives and excludes the Serbian people from further peace processes in which it can win on an equal footing that which is left to be won.

I believe that this will have great influence, and that it will contribute to attaining the final goal.

[Jevdjovic] Thank you, Mr. President.

Cosic on Assembly Session

AU1405204693 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 14 May 93

[Interview with FRY President Dobrica Cosic by Zeljko Avramovic in the Sava Center in Belgrade on 14 May—recorded]

[Text] [Avramovic] Mr. President, how do you assess the course and the outcome of the session, and would you please comment, even perhaps not gladly, on the behavior of the Radicals?

[Cosic] Our people will most probably be disappointed with this session and be concerned about our national and civil unity. As I understand historical events, deep differences are natural at moments such as this one. These differences and disagreements expressed here should not be considered to be tragedies.

I think that this was a real opportunity to see the situation of our awareness and our political, national, and historical responsibility for the country's destiny, and that both the deputies and the party leaders today showed their true colors.

I think that this was an opportunity for their constituents to consider whom they voted for and why they voted that way.

This is a good opportunity for all of us to remember that we should think more, work more conscientiously, and take much more care about general interests than about party, personal, and careerist ones.

Bulatovic on Assembly Session

AU1405212993 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 14 May 93

[Interview with Montenegrin President Momir Bulatovic by Zeljko Avramovic, at the Sava Center in Belgrade on 14 May—recorded]

[Text] [Avramovic] Mr. Bulatovic, how do you assess the progress of the assembly, and although unwillingly, I would like you to comment on the Serbian Radicals' action.

[Bulatovic] First, I want to say that there is an aftertaste of regret, because I think we should have been present here in greater numbers. I think that with the force of our arguments and political convictions which have been so strongly supported by the continuation of the work of this joint session of deputies, we really have shown that we favor peace, and that the Serbian people in Bosnia-Herzegovina will find it incomparably better and easier to defend their state-building and national interests by accepting the peace plan. As for the action of the Serbian Radicals, I cannot, of course, comment on it, but I was appalled by another fact, and that is that a very large number of people know very little. You know, only a person who has the right to speak can give up this right for the benefit of reason. I think the whole dilemma was artificially and clumsily fabricated, so that essentially for me, this represents an demonstration of parliamentary obstruction. It is quite clear, however, that the Radicals honestly stated their position long ago. They cannot support these conclusions. It is a pity that they did not stay and hear the other side and its arguments.

[Avramovic] Thank you very much.

Cosic Discusses Bosnian Serbs, Relations With Croatia

AU1405213193 Belgrade Radio Beograd Network in Serbo-Croatian 2100 GMT 14 May 93

[News conference by FRY President Dobrica Cosic with unidentified reporters in Belgrade on 14 May—recorded]

[Excerpt] [passage omitted] [Reporter] Mr. Paspalj [Croatian Assembly speaker] has just said that they have been betrayed.

[Cosic] I do not know who has betrayed Mr. Paspalj, but in any case, Mr. Paspalj has no right to make such a statement.

[Reporter] Is today's meeting going to have any impact [autoritet] on the (?situation) in the Serbian republic [in Bosnia-Herzegovina]?

[Cosic] I would not like to predict the outcome of the referendum, but we have given a recommendation and it would be good if our recommendation is accepted [uvaziti]. To be honest, I do not know the situation in the Serbian Republic well enough to be able to predict the outcome of the referendum. I assume that there are two factors there: one is revenge and the fear of genocide, and the other is the desire for peace and security. I cannot predict which of these two feelings will win.

[Reporter] Do you think that all that has been said at this joint session today will be properly conveyed to the people in the former Bosnia-Herzegovina?

[Cosic] As far as I could see your cameras and your cassette recorders, I hope that the people will learn the truth and see what some people think and say. I hope that they will be informed.

[Reporter] Mr. President, what are your personal views on the further development of events on the territory of the former Yugoslavia and the present Yugoslavia, the Federal Republic of Yugoslavia?

[Cosic] I think that there is no longer any reason for military intervention. I think that a peace process which will be very long and very painstaking will win.

[Reporter] Is there a rift among the Serbian people or just a political conflict?

[Cosic] No, what is involved here is not a rift among the Serbian people. What is involved are big political (?assessments) and differences in seeking peace. One should understand the people across the Drina. One should understand their fear and their feelings. I appeal to this understanding.

[Reporter] What kind of international reaction do you expect?

[Cosic] I think that the rest of the world will realize that the majority of the Serbian people, that the Federal Republic of Yugoslavia, that Serbia and Montenegro, are truly in favor of peace and peaceful solutions to all difficult and vital questions facing our people.

[Reporter] Thank you.

Navy Protests Croatian Shelling of Sitnica Region

LD1405201693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1818 GMT 14 May 93

[Text] Prevlaka, 14 May (TANJUG)—The information service of the (Yugoslav) Navy has issued a statement saying that three shells from a 122-mm mortar were fired at 1520 today on the Sitnica region from the Sveta Barbara church near Dubravka on the territory of the Republic of Croatia.

The statement says that there were no casualties and that the Yugoslav Army did not respond. It says that the

army command "immediately lodged a strong protest" with UNPROFOR [UN Protection Force] observers stationed in Dubrovnik.

The team of UN observers went to Dubravka from where [words indistinct].

This is the 100th violation by the Croatian side, which has not observed the Cosic-Tudjman agreement.

Serbia

Oil Production According To Plan; Gas Production Increases

LD1505122593 Belgrade Domestic Service in Serbo-Croatian 0752 GMT 15 May 93

[Text] Novi Sad, 15 May (TANJUG)—In the first four months of this year Naftagas [oil company]—part of the Serbian oil industry—produced 379,999 tonnes of crude oil, that is 0.6 percent above plan.

However, Naftagas warned of growing difficulties in producing oil from domestic oil fields. A considerably reduced production of "black gold" was recorded in most of the oil-wells in March and April.

The reasons for this situation lie primarily in the shortage of chemicals, semi-manufactures and spare parts, and oil producers are trying to cope the best they can.

Problems in gas production are considerably fewer. Owing to favorable circumstances the plan for the January-April period was exceeded by about 44 percent and about 390,000,000 cubic meters of gas was produced.

Macedonia

UN Sanctions Damaging Local Economy

LD1505123793 Belgrade TANJUG in English 1214 GMT 15 May 93

[By Miroljub Zaric]

[Text] Skopje, May 15 (TANJUG)—The Macedonian economy has been severely affected by the United Nations (U.N.) sanctions against the Federal Republic of Yugoslavia. The latest tightening of these sanctions will cost this former Yugoslav republic around 1.8 billion dollars annually.

The Skopje Government has recorded that the republic has lost 1.2 billion dollars since the sanctions were introduced in May last year. The biggest losses have been recorded in the ferrous and nonferrous metallurgy, the metal, machine-building, chemical and textile industries and in agriculture.

The Federal Republic of Yugoslavia and Serbia were the chief economic partners of this republic for obtaining

raw materials, cooperation in third markets, and presented the most important market for selling industrial and agricultural products. The redirection of transport to longer routes has considerably increased the transportation costs of Macedonian exports and thus affected the demand for these goods abroad.

There are also problems in securing transit permits from Bulgaria, Romania, Hungary and other countries. At the Bulgarian-Romanian border crossing near Ruse on the Danube, lorries from Macedonia wait for as many as six days because of the long lines of traffic.

The latest tightening of the sanctions has very severely affected the foreign trade relations of this republic. The difficult situation has resulted in a strike of over 3,000 workers of the Skopje iron mill.

Citizens are increasingly frequently protesting against the many limitations and controls imposed by the West on this former Yugoslav republic, and wonder what Macedonia's independence, autonomy and sovereignty in fact present when foreign officials control every move in the economy and members of the U.N. peace force not only control border crossings and the traffic of goods and citizens, but even increasingly frequently cause fights and conflicts with the citizens.

Kosovo

Rugova Asks UN To Approve Demilitarization Plan

AU1505130593 Tirana Radio Tirana Network in Albanian 1730 GMT 14 May 93

[Text] At today's news conference, chairman of the republic of Kosova Ibrahim Rugova hailed the idea of sending U.S. troops to Kosova, which will be done in the framework of the UN peacekeeping forces. This is a sign indicating that awareness of the necessity of preventive measures to avoid conflict in Kosova is growing. As we have many times before, we are asking the United Nations to approve a preventive resolution to allow the demilitarization of Kosova as the first step for a peaceful solution to the question of Kosova, Rugova said. Such a decision to send forces to Kosova, Rugova said, can be made on the basis of international law and Kosova's position in the former Yugoslavia. He said that Kosova was a part of the former Yugoslav Federation, equal with other units, until 1989. The international community can make such a decision without asking Serbia.

In this news conference, Rugova found out that repression in Kosova is continuing in all its forms, often accompanied by massive provocations. Rugova assessed Albania's veto concerning Macedonia's request for CSCE membership as reasonable, because Macedonia as a new state should fulfill all conditions and standards for acceptance in the CSCE. Turning down the Serbian idea of separation for Kosova, Rugova said that Kosova has its own historical identity, territorial integrity, and ethnicity, so such proposals are unacceptable.